



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2022

OF THE CONDITION AND AFFAIRS OF THE

FARMERS INSURANCE EXCHANGE

NAIC Group Code 0069 (Current) 0069 (Prior) NAIC Company Code 21652 Employer's ID Number 95-2575893

Organized under the Laws of California, State of Domicile or Port of Entry CA
Country of Domicile United States of America

Incorporated/Organized 03/28/1928 Commenced Business 04/06/1928

Statutory Home Office 6301 Owensmouth Ave, Woodland Hills, CA, US 91367-2216
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 6301 Owensmouth Ave, Woodland Hills, CA, US 91367-2216
(Street and Number) (City or Town, State, Country and Zip Code)
818-965-0433 (Area Code) (Telephone Number)

Mail Address 6301 Owensmouth Ave, Woodland Hills, CA, US 91367-2216
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 6301 Owensmouth Ave, Woodland Hills, CA, US 91367-2216
(Street and Number) (City or Town, State, Country and Zip Code)
818-876-7924 (Area Code) (Telephone Number)

Internet Website Address www.farmers.com

Statutory Statement Contact Joseph Hammond, 818-876-7924
(Name) (Area Code) (Telephone Number)
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(E-mail Address) (FAX Number)

OFFICERS

President, CEO Jeffrey John Dailey * CFO, Treasurer Thomas Sangkyu Noh
Secretary Doren Eugene Hohl Chief Actuary James Leslie Nutting *

*The individuals listed are officers of Farmers Group, Inc., dba as Farmers Underwriters Association, a Nevada Corporation which acts as attorney-in-fact of Farmers Insurance Exchange

OTHER

Robert Paul Howard, Chief Claims Officer Timothy John Murray #, Claims Executive Craig Allen Orraj #, Claims Executive

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DIRECTORS OR TRUSTEES

Thomas George Allen ** Joe David Bryant ** Julio Areias Da Silva **
Alan Roy Gildemeister ** Scott William Hood ** Frederick Henry Kruse **
Ronald Lee Marrone ** Gary Randolph Martin ** Ronald Gregory Myhan **

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California SS:
County of Los Angeles

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

DocuSigned by:

Jeff Dailey

9537A825BDD64C9...
Jeffrey John Dailey *
President, CEO

DocuSigned by:

Doren Eugene Hohl

5AA115586887458...
Doren Eugene Hohl
Secretary

DocuSigned by:

Thomas S Noh

5878CF5958B044E...
Thomas Sangkyu Noh
CFO, Treasurer

Subscribed and sworn to (or affirmed) before me this 15th day of February, 2023, by

(1) Jeffrey John Dailey, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and

(2) Doren Eugene Hohl, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and

(3) Thomas Sangkyu Noh, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

a. Is this an original filing? Yes [X] No []

- b. If no,
1. State the amendment number.....
2. Date filed
3. Number of pages attached.....

To be completed after the COVID-19 pandemic

*The individuals listed are officers of Farmers Group, Inc., dba as Farmers Underwriters Association, a Nevada Corporation which acts as attorney-in-fact of Farmers Insurance Exchange

**Board of Governors

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	4,519,528,832		4,519,528,832	4,513,532,940
2. Stocks (Schedule D):				
2.1 Preferred stocks	5,040,564	5,040,564		
2.2 Common stocks	7,656,766,741	5,305,909	7,651,460,831	7,731,181,577
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	101,958,603		101,958,603	
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)	30,061,588		30,061,588	31,070,950
4.2 Properties held for the production of income (less \$ encumbrances)	298,051,635		298,051,635	231,706,554
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$172,264,540, Schedule E - Part 1), cash equivalents (\$643,165,163, Schedule E - Part 2) and short-term investments (\$27,562,435, Schedule DA)	842,992,137		842,992,137	544,587,611
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	213,987,058		213,987,058	226,673,124
9. Receivable for securities	1,544,130		1,544,130	9,280,103
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	13,669,931,288	10,346,474	13,659,584,815	13,288,032,858
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	35,313,930	11,346	35,302,583	33,777,627
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	427,064,347	25,364,750	401,699,597	267,048,552
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$1,091,963 earned but unbilled premiums)	4,369,079,465		4,369,079,465	3,754,766,993
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)	376,890		376,890	535,270
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	877,555,139		877,555,139	846,144,798
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon	278,902,445		278,902,445	228,610,181
18.2 Net deferred tax asset	241,376,612		241,376,612	246,391,293
19. Guaranty funds receivable or on deposit	731,277		731,277	292,270
20. Electronic data processing equipment and software	883,710	883,710		
21. Furniture and equipment, including health care delivery assets (\$)	22,380,485	22,380,485		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,442,994,641		2,442,994,641	2,311,933,123
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	743,121,356	71,544,261	671,577,095	763,163,315
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	23,109,711,585	130,531,026	22,979,180,559	21,740,696,280
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	23,109,711,585	130,531,026	22,979,180,559	21,740,696,280
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)				
2501. Insurance-company owned life insurance-cash value	473,883,723		473,883,723	527,882,269
2502. Other assets	210,087,435	71,544,261	138,543,174	140,008,860
2503. Business-owned life insurance-cash value	58,167,382		58,167,382	68,063,398
2598. Summary of remaining write-ins for Line 25 from overflow page	982,815		982,815	27,208,788
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	743,121,356	71,544,261	671,577,095	763,163,315

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	4,649,561,139	4,223,162,949
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	1,226,206,396	1,042,266,957
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,232,071,617	1,224,523,647
4. Commissions payable, contingent commissions and other similar charges		
5. Other expenses (excluding taxes, licenses and fees)	6,157,469	6,587,529
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	8,031,282	43,564,147
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 10,009,859,438 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	3,820,915,241	3,588,323,448
10. Advance premium	95,600,293	90,017,272
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	996,853,298	988,890,535
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 20)	6,320,914,082	5,319,946,464
14. Amounts withheld or retained by company for account of others	235,042	266,335
15. Remittances and items not allocated	2,827,325	36,777,239
16. Provision for reinsurance (including \$ certified) (Schedule F, Part 3, Column 78)	2,126,869	2,054,732
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities	65,399,689	22,437,726
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	93,392,578	319,602,705
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	18,520,292,319	16,908,421,686
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	18,520,292,319	16,908,421,686
29. Aggregate write-ins for special surplus funds	3,500,000	3,600,000
30. Common capital stock		
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds		
33. Surplus notes	1,694,036,999	1,793,936,999
34. Gross paid in and contributed surplus		
35. Unassigned funds (surplus)	2,761,351,240	3,034,737,596
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36) (Page 4, Line 39)	4,458,888,239	4,832,274,595
38. TOTALS (Page 2, Line 28, Col. 3)	22,979,180,559	21,740,696,280
DETAILS OF WRITE-INS		
2501. Claims payments made after data-processing close	(334,988,748)	(289,691,820)
2502. Accounts payable	245,211,529	408,284,737
2503. Uncashed drafts and checks pending escheatment	53,440,673	33,219,480
2598. Summary of remaining write-ins for Line 25 from overflow page	129,729,124	167,790,308
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	93,392,578	319,602,705
2901. Reclassification of unamortized discount on surplus note from Unassigned surplus to Special surplus	3,500,000	3,600,000
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page		
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	3,500,000	3,600,000
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page		
3299. Totals (Lines 3201 thru 3203 plus 3298)(Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

STATEMENT OF INCOME

	1 Current Year	2 Prior Year
UNDERWRITING INCOME		
1. Premiums earned (Part 1, Line 35, Column 4).....	8,596,631,593	8,056,067,860
DEDUCTIONS:		
2. Losses incurred (Part 2, Line 35, Column 7)	5,686,739,249	5,148,552,868
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)	753,080,319	779,678,646
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)	2,759,982,063	2,484,079,288
5. Aggregate write-ins for underwriting deductions	(1,105,658)	(1,870,406)
6. Total underwriting deductions (Lines 2 through 5)	9,198,695,973	8,410,440,396
7. Net income of protected cells		
8. Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(602,064,380)	(354,372,536)
INVESTMENT INCOME		
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)	34,920,646	35,867,581
10. Net realized capital gains (losses) less capital gains tax of \$ 13,916,655 (Exhibit of Capital Gains (Losses))	283,585,761	8,547,409
11. Net investment gain (loss) (Lines 9 + 10)	318,506,408	44,414,990
OTHER INCOME		
12. Net gain (loss) from agents' or premium balances charged off (amount recovered \$ 140,242 amount charged off \$ 57,878,533)	(57,738,291)	(33,245,899)
13. Finance and service charges not included in premiums	94,810,893	80,545,860
14. Aggregate write-ins for miscellaneous income	(208,070,294)	(176,887,245)
15. Total other income (Lines 12 through 14)	(170,997,692)	(129,587,284)
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(454,555,665)	(439,544,830)
17. Dividends to policyholders	388,288	549,112
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(454,943,953)	(440,093,941)
19. Federal and foreign income taxes incurred	(140,787,808)	(73,277,859)
20. Net income (Line 18 minus Line 19)(to Line 22)	(314,156,144)	(366,816,082)
CAPITAL AND SURPLUS ACCOUNT		
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	4,832,274,595	4,667,381,410
22. Net income (from Line 20)	(314,156,144)	(366,816,082)
23. Net transfers (to) from Protected Cell accounts		
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$ (35,749,483)	87,981,593	485,490,175
25. Change in net unrealized foreign exchange capital gain (loss)		
26. Change in net deferred income tax	(40,764,164)	26,274,498
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 28, Col. 3)	(7,693,767)	17,801,958
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	(72,137)	245,407
29. Change in surplus notes	(99,900,000)	100,000
30. Surplus (contributed to) withdrawn from protected cells		
31. Cumulative effect of changes in accounting principles		
32. Capital changes:		
32.1 Paid in		
32.2 Transferred from surplus (Stock Dividend)		
32.3 Transferred to surplus		
33. Surplus adjustments:		
33.1 Paid in		
33.2 Transferred to capital (Stock Dividend)		
33.3 Transferred from capital		
34. Net remittances from or (to) Home Office		
35. Dividends to stockholders		
36. Change in treasury stock (Page 3, Lines 36.1 and 36.2, Column 2 minus Column 1)		
37. Aggregate write-ins for gains and losses in surplus	1,218,265	1,797,229
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)	(373,386,355)	164,893,185
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)	4,458,888,239	4,832,274,595
DETAILS OF WRITE-INS		
0501. Pooled share of LAD program income	(1,105,658)	(1,870,406)
0502.		
0503.		
0598. Summary of remaining write-ins for Line 5 from overflow page		
0599. Totals (Lines 0501 thru 0503 plus 0598)(Line 5 above)	(1,105,658)	(1,870,406)
1401. Interest expense on funds held	(189,007,375)	(135,155,129)
1402. Miscellaneous expense	(16,419,852)	(39,061,805)
1403. Premiums for company-owned life insurance	(2,076,195)	(2,094,755)
1498. Summary of remaining write-ins for Line 14 from overflow page	(566,872)	(575,556)
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	(208,070,294)	(176,887,245)
3701. Net proceeds from company-owned life insurance	1,292,135	1,693,034
3702. Pooled share of unauthorized reinsurance	(73,870)	104,195
3703.		
3798. Summary of remaining write-ins for Line 37 from overflow page		
3799. Totals (Lines 3701 thru 3703 plus 3798)(Line 37 above)	1,218,265	1,797,229

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	8,043,690,954	8,594,643,993
2. Net investment income	54,220,227	67,837,694
3. Miscellaneous income	(170,997,692)	(129,587,284)
4. Total (Lines 1 through 3)	7,926,913,489	8,532,894,403
5. Benefit and loss related payments	5,153,108,890	4,549,549,121
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	3,703,883,896	2,884,987,542
8. Dividends paid to policyholders	388,288	549,112
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(76,578,889)	(41,818,249)
10. Total (Lines 5 through 9)	8,780,802,184	7,393,267,526
11. Net cash from operations (Line 4 minus Line 10)	(853,888,696)	1,139,626,877
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	1,180,326,865	1,572,335,171
12.2 Stocks	227,961,853	35,606,973
12.3 Mortgage loans		
12.4 Real estate	369,976,957	1,746,328
12.5 Other invested assets	10,878,111	65,147
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	3,230	
12.7 Miscellaneous proceeds	48,454,513	12,933,413
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,837,601,529	1,622,687,032
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,209,411,509	1,403,718,358
13.2 Stocks	9,617,037	1,247,453,811
13.3 Mortgage loans	101,947,645	
13.4 Real estate	217,101,779	2,596,087
13.5 Other invested assets	139,266	156,406
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,538,217,236	2,653,924,662
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	299,384,293	(1,031,237,630)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	(99,900,000)	
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	952,808,928	(219,209,692)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	852,908,928	(219,209,692)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	298,404,526	(110,820,445)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	544,587,611	655,408,055
19.2 End of period (Line 18 plus Line 19.1)	842,992,137	544,587,611

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1	2	3	4
	Net Premiums Written per Column 6, Part 1B	Unearned Premiums Dec. 31 Prior Year - per Col. 3, Last Year's Part 1	Unearned Premiums Dec. 31 Current Year - per Col. 5 Part 1A	Premiums Earned During Year (Cols. 1 + 2 - 3)
1. Fire	238,100,008	153,325,673	169,348,112	222,077,569
2.1 Allied lines	193,705,656	117,975,243	133,545,795	178,135,104
2.2 Multiple peril crop				
2.3 Federal flood	(2)			(1)
2.4 Private crop				
2.5 Private flood				
3. Farmowners multiple peril				
4. Homeowners multiple peril	2,672,273,565	1,374,241,795	1,504,670,973	2,541,844,386
5.1 Commercial multiple peril (non-liability portion)	412,464,014	207,857,618	216,771,993	403,549,639
5.2 Commercial multiple peril (liability portion)	174,703,936	84,492,009	89,076,782	170,119,163
6. Mortgage guaranty				
8. Ocean marine	22,032,327	11,142,742	11,501,454	21,673,615
9. Inland marine	25,311,504	14,233,955	13,399,714	26,145,745
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	16,372,125	6,402,617	7,821,313	14,953,429
13.1 Comprehensive (hospital and medical) individual				
13.2 Comprehensive (hospital and medical) group				
14. Credit accident and health (group and individual)				
15.1 Vision only				
15.2 Dental only				
15.3 Disability income				
15.4 Medicare supplement				
15.5 Medicaid Title XIX				
15.6 Medicare Title XVIII				
15.7 Long-term care				
15.8 Federal employees health benefits plan				
15.9 Other health				
16. Workers' compensation	96,347,824	40,955,623	40,883,803	96,419,644
17.1 Other liability - occurrence	171,922,050	93,748,453	95,830,807	169,839,697
17.2 Other liability - claims-made	11,163,242	3,301,976	5,520,898	8,944,320
17.3 Excess workers' compensation				
18.1 Products liability - occurrence	21,925	10,614	8,359	24,179
18.2 Products liability - claims-made				
19.1 Private passenger auto no-fault (personal injury protection)	182,886,639	58,695,204	58,676,560	182,905,283
19.2 Other private passenger auto liability.....	2,491,494,373	759,319,116	765,855,608	2,484,957,880
19.3 Commercial auto no-fault (personal injury protection)	7,464,382	1,471,156	2,023,798	6,911,739
19.4 Other commercial auto liability.....	291,023,377	77,647,138	83,250,082	285,420,432
21.1 Private passenger auto physical damage	1,757,561,775	565,131,201	591,822,582	1,730,870,394
21.2 Commercial auto physical damage	43,817,116	18,290,842	19,608,162	42,499,796
22. Aircraft (all perils)				
23. Fidelity	264,890	1,429	1,459	264,861
24. Surety	20,335,050	(20)	11,295,969	9,039,061
26. Burglary and theft	1,939	936	954	1,921
27. Boiler and machinery	(20,696)	54,498	64	33,737
28. Credit				
29. International				
30. Warranty				
31. Reinsurance - nonproportional assumed property				
32. Reinsurance - nonproportional assumed liability				
33. Reinsurance - nonproportional assumed financial lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	8,829,247,019	3,588,299,815	3,820,915,241	8,596,631,593
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)				

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less from Date of Policy) (a)	2 Amount Unearned (Running More Than One Year from Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve for Unearned Premiums Cols. 1 + 2 + 3 + 4
1. Fire	169,348,112				169,348,112
2.1 Allied lines	133,545,795				133,545,795
2.2 Multiple peril crop					
2.3 Federal flood					
2.4 Private crop					
2.5 Private flood					
3. Farmowners multiple peril					
4. Homeowners multiple peril	1,504,670,248	725			1,504,670,973
5.1 Commercial multiple peril (non-liability portion)	216,771,993				216,771,993
5.2 Commercial multiple peril (liability portion)	89,076,782				89,076,782
6. Mortgage guaranty					
8. Ocean marine	11,501,454				11,501,454
9. Inland marine	13,399,714				13,399,714
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake	7,821,313				7,821,313
13.1 Comprehensive (hospital and medical) individual					
13.2 Comprehensive (hospital and medical) group					
14. Credit accident and health (group and individual)					
15.1 Vision only					
15.2 Dental only					
15.3 Disability income					
15.4 Medicare supplement					
15.5 Medicaid Title XIX					
15.6 Medicare Title XVIII					
15.7 Long-term care					
15.8 Federal employees health benefits plan					
15.9 Other health					
16. Workers' compensation	40,883,803				40,883,803
17.1 Other liability - occurrence	95,829,789	1,017			95,830,807
17.2 Other liability - claims-made	5,520,898				5,520,898
17.3 Excess workers' compensation					
18.1 Products liability - occurrence	8,359				8,359
18.2 Products liability - claims-made					
19.1 Private passenger auto no-fault (personal injury protection)	58,676,560				58,676,560
19.2 Other private passenger auto liability.....	765,855,608				765,855,608
19.3 Commercial auto no-fault (personal injury protection)	2,023,798				2,023,798
19.4 Other commercial auto liability.....	83,250,082				83,250,082
21.1 Private passenger auto physical damage	591,809,783	12,800			591,822,582
21.2 Commercial auto physical damage	19,608,162				19,608,162
22. Aircraft (all perils)					
23. Fidelity	1,459				1,459
24. Surety	11,295,969				11,295,969
26. Burglary and theft	954				954
27. Boiler and machinery	64				64
28. Credit					
29. International					
30. Warranty					
31. Reinsurance - nonproportional assumed property					
32. Reinsurance - nonproportional assumed liability					
33. Reinsurance - nonproportional assumed financial lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	3,820,900,699	14,542			3,820,915,241
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Line 35 through 37)					3,820,915,241
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)					

(a) State here basis of computation used in each case Daily Pro-rata

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Cols. 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	9,156,017	752,824,791		292,685,478	231,195,321	238,100,008
2.1 Allied lines	11,148,495	616,714,747		239,062,436	195,095,149	193,705,656
2.2 Multiple peril crop						
2.3 Federal flood	1,700,471	25,628,274		27,328,746		(2)
2.4 Private crop						
2.5 Private flood						
3. Farmowners multiple peril						
4. Homeowners multiple peril	2,065,605,402	10,409,589,617		7,258,269,631	2,544,651,824	2,672,273,565
5.1 Commercial multiple peril (non-liability portion)	326,273,886	1,512,403,366		1,105,462,262	320,750,976	412,464,014
5.2 Commercial multiple peril (liability portion)	206,355,665	611,407,384		516,617,273	126,441,839	174,703,936
6. Mortgage guaranty						
8. Ocean marine		66,493,545		24,050,411	20,410,807	22,032,327
9. Inland marine	13,408,020	106,250,679		70,391,819	23,955,376	25,311,504
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims- made						
12. Earthquake	18,812,777	64,695,316		56,774,741	10,361,227	16,372,125
13.1 Comprehensive (hospital and medical) individual						
13.2 Comprehensive (hospital and medical) group						
14. Credit accident and health (group and individual)						
15.1 Vision only						
15.2 Dental only						
15.3 Disability income						
15.4 Medicare supplement						
15.5 Medicaid Title XIX						
15.6 Medicare Title XVIII						
15.7 Long-term care						
15.8 Federal employees health benefits plan						
15.9 Other health						
16. Workers' compensation	24,433,945	468,625,397		325,607,578	71,103,941	96,347,824
17.1 Other liability - occurrence	150,244,728	409,597,214	129	198,751,531	189,168,490	171,922,050
17.2 Other liability - claims-made	8,936,467	41,575,361		31,247,809	8,100,777	11,163,242
17.3 Excess workers' compensation						
18.1 Products liability - occurrence	19,654	58,354		39,704	16,380	21,925
18.2 Products liability - claims-made						
19.1 Private passenger auto no-fault (personal injury protection)	65,988,214	452,578,172		190,586,650	145,093,096	182,886,639
19.2 Other private passenger auto liability	1,732,902,761	5,254,608,017		2,590,338,905	1,905,677,501	2,491,494,373
19.3 Commercial auto no-fault (personal injury protection)	20,732,982	22,504,092		22,029,974	13,742,718	7,464,382
19.4 Other commercial auto liability	571,177,039	965,120,755		833,234,295	412,040,121	291,023,377
21.1 Private passenger auto physical damage	1,029,946,593	3,934,066,172		1,837,845,518	1,368,605,471	1,757,561,775
21.2 Commercial auto physical damage	35,571,804	193,957,957		128,176,895	57,535,750	43,817,116
22. Aircraft (all perils)						
23. Fidelity	3,370	747,170		268,939	216,711	264,890
24. Surety		78,589,571		58,254,521		20,335,050
26. Burglary and theft	714	7,123		4,490	1,408	1,939
27. Boiler and machinery	31,852	(22,762)		46,751	(16,965)	(20,696)
28. Credit						
29. International						
30. Warranty						
31. Reinsurance - nonproportional assumed property	XXX					
32. Reinsurance - nonproportional assumed liability	XXX					
33. Reinsurance - nonproportional assumed financial lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	6,292,450,854	25,988,020,312	129	15,807,076,357	7,644,147,918	8,829,247,019
DETAILS OF WRITE-INS						
3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes: 1. The amount of such installment premiums \$

2. Amount at which such installment premiums would have been reported had they been reported on an annualized basis \$

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Col. 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Cols. 4 + 5 - 6)	8 Percentage of Losses Incurred (Col. 7, Part 2) to Premiums Earned (Col. 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Cols. 1 + 2 - 3)				
1. Fire	149,047	280,154,357	187,150,276	93,153,127	30,657,724	33,546,263	90,264,588	40.6
2.1 Allied lines	13,819,167	442,059,006	323,680,572	132,197,602	24,666,892	8,586,241	148,278,253	83.2
2.2 Multiple peril crop								
2.3 Federal flood	311,830	14,767,788	15,112,417	(32,799)	5		(32,794)	2,277,341.0
2.4 Private crop								
2.5 Private flood								
3. Farmowners multiple peril					(10)	1	(11)	
4. Homeowners multiple peril	1,385,486,251	6,013,006,450	5,747,456,248	1,651,036,453	798,895,042	741,083,751	1,708,847,744	67.2
5.1 Commercial multiple peril (non-liability portion)	170,019,048	879,435,228	808,788,395	240,665,880	160,957,518	135,890,064	265,733,334	65.8
5.2 Commercial multiple peril (liability portion)	75,397,675	299,167,099	288,007,239	86,557,535	276,804,617	290,916,235	72,445,917	42.6
6. Mortgage guaranty								
8. Ocean marine		33,481,768	22,630,545	10,851,223	9,442,582	9,086,856	11,206,949	51.7
9. Inland marine	5,251,848	31,074,545	28,443,423	7,882,971	10,194,179	12,080,652	5,996,498	22.9
10. Financial guaranty								
11.1 Medical professional liability - occurrence					901,938	686,508	215,430	
11.2 Medical professional liability - claims-made		4,782	2,307	2,474	1,215,069	1,472,825	(255,282)	
12. Earthquake	17,259	(19,240,081)	(15,205,124)	(4,017,698)	301,745	980,899	(4,686,852)	(31.4)
13.1 Comprehensive (hospital and medical) individual								
13.2 Comprehensive (hospital and medical) group								
14. Credit accident and health (group and individual)								
15.1 Vision only								
15.2 Dental only								
15.3 Disability income								
15.4 Medicare supplement								
15.5 Medicaid Title XIX								
15.6 Medicare Title XVIII								
15.7 Long-term care								
15.8 Federal employees health benefits plan								
15.9 Other health								
16. Workers' compensation	9,957,162	209,078,654	169,404,430	49,631,386	370,099,009	385,852,194	33,878,202	35.1
17.1 Other liability - occurrence	80,272,221	213,744,916	205,395,125	88,622,011	302,960,993	297,325,986	94,257,017	55.5
17.2 Other liability - claims-made	1,754,720	12,448,146	11,905,579	2,297,288	14,886,192	15,823,151	1,360,328	15.2
17.3 Excess workers' compensation								
18.1 Products liability - occurrence					80,608	59,821	20,787	86.0
18.2 Products liability - claims-made								
19.1 Private passenger auto no-fault (personal injury protection)	56,177,518	250,121,513	206,931,036	99,367,995	122,045,193	112,921,922	108,491,266	59.3
19.2 Other private passenger auto liability	911,491,234	2,933,373,565	2,460,616,346	1,384,248,453	2,051,869,869	1,846,517,422	1,589,600,900	64.0
19.3 Commercial auto no-fault (personal injury protection)	9,053,920	13,185,880	18,322,409	3,917,392	7,088,509	5,496,770	5,509,131	79.7
19.4 Other commercial auto liability	205,383,770	459,302,689	539,489,497	125,196,962	320,785,000	240,207,005	205,774,958	72.1
21.1 Private passenger auto physical damage	863,507,614	2,690,668,714	2,297,696,482	1,256,479,846	130,634,362	73,481,178	1,313,633,030	75.9
21.2 Commercial auto physical damage	29,626,723	126,003,082	127,999,525	27,630,280	6,668,487	4,769,210	29,529,557	69.5
22. Aircraft (all perils)		46,497	13,201	33,297			33,297	
23. Fidelity		(15,065)	(7,810)	(7,255)	229,226	258,997	(37,581)	(14.2)
24. Surety		17,743,298	13,115,610	4,627,688	8,154,284	6,111,286	6,670,685	73.8
26. Burglary and theft	24	(76)	165	(218)	505	520	(233)	(12.1)
27. Boiler and machinery		16,597	16,852	(255)	21,601	7,216	14,130	41.9
28. Credit								
29. International								
30. Warranty								
31. Reinsurance - nonproportional assumed property	XXX							
32. Reinsurance - nonproportional assumed liability	XXX							
33. Reinsurance - nonproportional assumed financial lines	XXX							
34. Aggregate write-ins for other lines of business								
35. TOTALS	3,817,677,031	14,899,629,352	13,456,965,299	5,260,341,084	4,649,561,139	4,223,162,974	5,686,739,249	66.2
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)								

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8 Net Losses Unpaid (Cols. 4 + 5 + 6 - 7)	9 Net Unpaid Loss Adjustment Expenses
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excl. Incurred But Not Reported (Cols. 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire	56,461	49,129,040	32,898,488	16,287,013	540,900	53,589,965	39,760,155	30,657,724	7,655,942
2.1 Allied lines	1,296,908	40,022,696	29,027,691	12,291,914	635,167	52,439,110	40,699,299	24,666,892	5,379,174
2.2 Multiple peril crop									
2.3 Federal flood	5,000	7,517,447	7,522,447		70,326	1,098,859	1,169,180	5	
2.4 Private crop									
2.5 Private flood									
3. Farmowners multiple peril						(47)	(37)	(10)	50
4. Homeowners multiple peril	230,084,255	1,171,116,206	1,087,608,457	313,592,004	478,574,489	1,937,960,526	1,931,231,977	798,895,042	148,117,157
5.1 Commercial multiple peril (non-liability portion)	48,416,431	274,530,687	254,649,605	68,297,513	87,825,529	369,873,173	365,038,697	160,957,518	30,909,914
5.2 Commercial multiple peril (liability portion)	98,665,196	376,275,110	366,756,056	108,184,250	187,670,501	572,416,925	591,467,059	276,804,617	104,389,798
6. Mortgage guaranty									
8. Ocean marine		14,444,002	7,258,193	7,185,809		6,952,147	4,695,374	9,442,582	769,679
9. Inland marine	15,400	19,012,038	10,030,943	8,996,494	672,728	3,177,651	2,652,694	10,194,179	453,862
10. Financial guaranty									
11.1 Medical professional liability - occurrence		400,200	163,267	236,933		1,316,722	651,716	901,938	259,351
11.2 Medical professional liability - claims-made		477,427	220,429	256,999		1,849,070	891,000	1,215,069	503,681
12. Earthquake		25,800	18,911	6,889	251,288	342,264	298,696	301,745	110,009
13.1 Comprehensive (hospital and medical) individual								(a)	
13.2 Comprehensive (hospital and medical) group								(a)	
14. Credit accident and health (group and individual)								(a)	
15.1 Vision only								(a)	
15.2 Dental only								(a)	
15.3 Disability income								(a)	
15.4 Medicare supplement								(a)	
15.5 Medicaid Title XIX								(a)	
15.6 Medicare Title XVIII								(a)	
15.7 Long-term care								(a)	
15.8 Federal employees health benefits plan								(a)	
15.9 Other health								(a)	
16. Workers' compensation	22,418,598	366,937,607	286,301,525	103,054,680	81,009,933	941,844,725	755,810,329	370,099,009	86,444,918
17.1 Other liability - occurrence	59,644,631	226,674,844	200,067,047	86,252,428	171,570,361	665,093,557	619,955,353	302,960,993	197,074,515
17.2 Other liability - claims-made	1,937,986	11,672,948	10,243,733	3,367,201	9,719,075	42,244,460	40,444,543	14,886,192	6,551,462
17.3 Excess workers' compensation									
18.1 Products liability - occurrence		218,294	172,930	45,364	32,592	105,852	103,200	80,608	21,860
18.2 Products liability - claims-made									
19.1 Private passenger auto no-fault (personal injury protection)	61,500,330	88,522,651	107,861,544	42,161,436	578,588,397	119,590,721	618,295,362	122,045,193	49,157,132
19.2 Other private passenger auto liability	507,041,593	1,766,402,116	1,458,306,951	815,136,758	1,145,575,125	2,280,004,882	2,188,846,896	2,051,869,869	470,998,111
19.3 Commercial auto no-fault (personal injury protection)	5,953,615	8,467,252	12,656,340	1,764,526	15,317,554	22,541,811	32,535,382	7,088,509	2,680,748
19.4 Other commercial auto liability	199,926,720	499,312,030	580,097,679	119,141,071	398,162,311	851,429,585	1,047,947,967	320,785,000	63,223,736
21.1 Private passenger auto physical damage		132,454,639	85,373,971	47,080,669	109,803,499	148,910,937	175,160,743	130,634,362	53,318,689
21.2 Commercial auto physical damage	125,522	1,048,351	917,926	255,947	6,383,873	32,119,182	32,090,514	6,668,487	2,989,611
22. Aircraft (all perils)									
23. Fidelity					4,278	634,074	409,125	229,226	158,246
24. Surety		382,000	283,158	98,842		28,230,883	20,175,442	8,154,284	894,814
26. Burglary and theft	3	532	347	188	64	961	708	505	301
27. Boiler and machinery					10,469	73,718	62,587	21,601	8,857
28. Credit									
29. International									
30. Warranty									
31. Reinsurance - nonproportional assumed property	XXX				XXX				
32. Reinsurance - nonproportional assumed liability	XXX				XXX				
33. Reinsurance - nonproportional assumed financial lines	XXX				XXX				
34. Aggregate write-ins for other lines of business									
35. TOTALS	1,237,088,648	5,055,043,918	4,538,437,636	1,753,694,930	3,272,418,457	8,133,841,712	8,510,393,960	4,649,561,139	1,232,071,617
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above)									

(a) Including \$ for present value of life indemnity claims reported in Lines 13 and 15.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct	137,497,549			137,497,549
1.2 Reinsurance assumed	2,029,245,983			2,029,245,983
1.3 Reinsurance ceded	1,780,315,042			1,780,315,042
1.4 Net claim adjustment service (1.1 + 1.2 - 1.3)	386,428,491			386,428,491
2. Commission and brokerage:				
2.1 Direct excluding contingent		617,386,666		617,386,666
2.2 Reinsurance assumed, excluding contingent		3,108,324,337		3,108,324,337
2.3 Reinsurance ceded, excluding contingent		3,412,625,964		3,412,625,964
2.4 Contingent - direct		61,831,152		61,831,152
2.5 Contingent - reinsurance assumed				
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees		5,230,070		5,230,070
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7) ..		380,146,261		380,146,261
3. Allowances to managers and agents		11,007,439		11,007,439
4. Advertising		134,673,974		134,673,974
5. Boards, bureaus and associations		23,736,762		23,736,762
6. Surveys and underwriting reports		133,253,440		133,253,440
7. Audit of assureds' records		1,422,288		1,422,288
8. Salary and related items:				
8.1 Salaries	187,897,262	906,628,840	6,898,925	1,101,425,027
8.2 Payroll taxes	19,063,804	62,121,455	508,269	81,693,528
9. Employee relations and welfare	94,403,285	267,595,782	140,569	362,139,636
10. Insurance	844,372	7,698,648		8,543,020
11. Directors' fees		1,998,553		1,998,553
12. Travel and travel items	4,602,961	2,397,450	671,333	7,671,744
13. Rent and rent items	10,923,880	67,402,938	1,846	78,328,664
14. Equipment	4,747,735	117,542,644	5,370	122,295,749
15. Cost or depreciation of EDP equipment and software	19,505,823	201,291,344		220,797,167
16. Printing and stationery	814,182	9,136,661	816,775	10,767,618
17. Postage, telephone and telegraph, exchange and express	6,299,425	47,912,450	659	54,212,534
18. Legal and auditing	3,473,987	5,146,039	8,750	8,628,776
19. Totals (Lines 3 to 18)	352,576,716	2,000,966,708	9,052,495	2,362,595,919
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$		306,679,997		306,679,997
20.2 Insurance department licenses and fees		17,082,488		17,082,488
20.3 Gross guaranty association assessments		1,576,200		1,576,200
20.4 All other (excluding federal and foreign income and real estate)	750,050	6,349,822		7,099,871
20.5 Total taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)	750,050	331,688,506		332,438,556
21. Real estate expenses			2,213,142	2,213,142
22. Real estate taxes			2,843,081	2,843,081
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	13,325,063	47,180,588	2,451,176	62,956,827
25. Total expenses incurred	753,080,319	2,759,982,063	16,559,895	(a) 3,529,622,277
26. Less unpaid expenses - current year	1,232,071,617	14,225,890		1,246,297,507
27. Add unpaid expenses - prior year	1,224,523,647	50,197,556		1,274,721,203
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	745,532,350	2,795,953,729	16,559,895	3,558,045,973
DETAILS OF WRITE-INS				
2401. Miscellaneous IT-related ULAE expenses	13,325,063			13,325,063
2402. Miscellaneous IT-related agent network expenses		44,512,925		44,512,925
2403. Charitable contributions		2,667,663		2,667,663
2498. Summary of remaining write-ins for Line 24 from overflow page			2,451,176	2,451,176
2499. Totals (Lines 2401 thru 2403 plus 2498)(Line 24 above)	13,325,063	47,180,588	2,451,176	62,956,827

(a) Includes management fees of \$ 1,779,302,069 to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....12,990,621	..... 14,163,651
1.1	Bonds exempt from U.S. tax	(a) .....24,387,946	..... 23,161,397
1.2	Other bonds (unaffiliated)	(a) .....81,145,529	..... 84,121,770
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....5,676,627	.....5,316,503
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....2,088,853	.....2,455,559
4.	Real estate	(d) .....21,067,106	.....21,067,106
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e) .....7,439,790	.....8,664,920
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....8,145,360	.....8,145,360
9.	Aggregate write-ins for investment income .....	.....583,179	.....583,179
10.	Total gross investment income	163,525,011	167,679,445
11.	Investment expenses .....	.....	(g) .....13,716,813
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g) .....2,843,081
13.	Interest expense .....	.....	(h) .....108,408,655
14.	Depreciation on real estate and other invested assets .....	.....	(i) .....7,056,956
15.	Aggregate write-ins for deductions from investment income .....	.....	.....733,296
16.	Total deductions (Lines 11 through 15) .....	.....	.....132,758,801
17.	Net investment income (Line 10 minus Line 16) .....	.....	.....34,920,644
DETAILS OF WRITE-INS			
0901.	Write - In Misc. Income .....	.....583,179	.....583,179
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	583,179	583,179
1501.	Amort. of Discount on Surplus Note .....	.....	.....100,000
1502.	Surplus Note Issuance Expense .....	.....	.....633,296
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....	.....	733,296

- (a) Includes \$ 4,212,246 accrual of discount less \$ 18,554,049 amortization of premium and less \$2,863,330 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$10,958 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$749,253 accrual of discount less \$5 amortization of premium and less \$416 paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$108,408,655 interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$7,056,956 depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	(3,466,734)	.....	(3,466,734)	.....	.....
1.1	Bonds exempt from U.S. tax	633,746	.....	633,746	.....	.....
1.2	Other bonds (unaffiliated)	(3,764,372)	(122,166)	(3,886,538)	(2,583,570)	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated)	83,242,346	(2,044,086)	81,198,260	(165,704,856)	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	222,467,740	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate	225,267,854	.....	225,267,854	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments	(25,890)	.....	(25,890)	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	(1,947,222)	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	(2,218,280)	(2,218,280)	.....	.....
10.	Total capital gains (losses)	301,886,950	(4,384,532)	297,502,418	52,232,092	.....
DETAILS OF WRITE-INS						
0901.	Straight Line Rent Receivable Write Off .....	.....	(2,218,280)	(2,218,280)	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....	.....	(2,218,280)	(2,218,280)	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks	5,040,564	6,412,677	1,372,113
2.2 Common stocks	5,305,909	4,596,702	(709,207)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens.....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income.....			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)	10,346,474	11,009,379	662,906
13. Title plants (for Title insurers only)			
14. Investment income due and accrued	11,346	68,553	57,207
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	25,364,750	9,041,584	(16,323,167)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due ..			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	883,710		(883,710)
21. Furniture and equipment, including health care delivery assets	22,380,485	884,723	(21,495,762)
22. Net adjustment in assets and liabilities due to foreign exchange rates		24,852,848	24,852,848
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	71,544,261	76,980,172	5,435,911
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	130,531,026	122,837,259	(7,693,767)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	130,531,026	122,837,259	(7,693,767)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. Other Assets	71,544,261	76,980,172	5,435,911
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	71,544,261	76,980,172	5,435,911

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NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

A. Accounting Practices

The financial statements of Farmers Insurance Exchange (“FIE”) are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the state of California (“DOI”).

FIE recognizes only statutory accounting practices prescribed or permitted by the state of California (the “State”) for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the California Insurance Law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual (the “Codification”), version effective January 1, 2001 and subsequently amended (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State. The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, specifically requirements pertaining to computer hardware and software. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

On December 21, 2022, the California Department of Insurance (“CA DOI”) granted permitted accounting practice to FIE, Truck and Fire to immediately recognize the remaining unamortized negative goodwill of \$193,135,234 associated with the acquisition of the Farmers Property and Casualty (formerly “Metropolitan Property and Casualty Company” – MetLife) Auto and Home block of business, effective April 8, 2021. FIE’s share of the unamortized negative goodwill totaled \$154,508,187; Truck, \$19,313,523; and Fire, \$19,313,523. If the NAIC SAP guidance of 10-year negative goodwill amortization had been applied, FIE’s statutory surplus would have been decreased by \$137,804,599 and \$0 as of December 31, 2022, and December 31, 2021, respectively. In addition, if FIE had not been permitted to fully recognize the negative goodwill, FIE’s RBC capital would continue to be above capital levels that exceeded the minimum NAIC capital requirements and therefore no regulatory action under the risk-based capital rules is anticipated in both the current and near terms.

A reconciliation of FIE’s net income and surplus between NAIC SAP and practices prescribed by the State of California for year-to-date December 31, 2022 and the year ended December 31, 2021 is shown below:

		F/S SSAP #	F/S Page	F/S Line #	2022	2021
<u>NET INCOME</u>						
(1)	California basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ (314,156,144)	\$ (366,816,082)
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(3)	State Permitted Practices that increase/(decrease) NAIC SAP:	XXX	XXX	XXX	-	-
(4)	NAIC SAP (1-2-3=4)				\$ (314,156,144)	\$ (366,816,082)
<u>SURPLUS</u>						
(5)	California basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$4,458,888,239	\$4,832,274,595
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP:				-	-
(7)	State Permitted Practices that increase/(decrease) NAIC SAP:	68R	4	24	(137,804,599)	-
(8)	NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$4,321,083,640	\$4,832,274,595

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with statutory accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned pro rata over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Ceded unearned premium reserves under the All Lines reinsurance agreements (see Note 21C) are calculated based on a quota share percentage of the underlying pro-rata direct unearned premium reserves.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred.

In addition, FIE uses the following accounting policies:

NOTES TO FINANCIAL STATEMENTS

- (1) Short-term investments include all investments whose maturities, at the time of acquisition, are greater than three months and less than one year and are stated at amortized cost, which approximates fair value.
- (2) Bonds not backed by other loans are generally carried at amortized cost or the lower of amortized cost or fair value depending on their NAIC designation. Bond premium or discount is amortized using the interest method.
- (3) Unaffiliated common stocks are carried at NAIC market value. The change in the stated value is recorded as a change in net unrealized capital gains or losses, a component of unassigned funds.
- (4) Redeemable preferred stocks are carried at amortized cost or at the lower of amortized cost or fair value, depending on their NAIC designation. Redeemable preferred stock premium or discount is amortized using the interest method. Non-redeemable preferred stocks are carried at market value or the lower of cost or fair value based on their NAIC designation.

FIE recognizes other-than-temporary impairment losses on investments when the decline in fair value specific to an issuer's fundamental credit difficulties, or a non-interest related decline, is deemed to be other than temporary. There are a number of assumptions and estimates inherent in evaluating impairments specific to an issuer's fundamental credit difficulties, or non-interest related decline, and determining if they are other than temporary, including: 1) FIE's ability and intent to retain the investment for a period of time sufficient to allow for an anticipated recovery in value; 2) the recoverability of principal and interest; 3) the length of time and extent to which the fair value has been less than amortized cost for bonds or cost for unaffiliated common and preferred stocks; 4) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry conditions and trends, and implications of rating agency actions and offering prices; and 5) the specific reasons that a security is in a significant unrealized loss position, including market conditions which could affect access to liquidity. Interest rate related impairments are deemed other than temporary when FIE has the intent to sell an investment, at the reporting date, before recovery of the cost of the investment.

The 2028 and 2048 Trust Notes owned by FIE ("FIE"), Truck Insurance Exchange ("Truck") and Fire Insurance Exchange ("Fire,") (collectively "the Exchanges") are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), and as a result, the Trust Notes are carried at par value. The premiums paid for the tendered Trust Notes were charged to income as realized losses.

- (5) Mortgage loans on real estate are principally stated at amortized cost, net of valuation allowances.
- (6) Mortgage-backed bonds and structured securities are stated at either amortized cost or the lower of amortized cost or market value. Premiums and discounts on mortgage-backed securities and structured securities are amortized using the retrospective method, except for interest-only mortgage-backed securities, which are amortized using the prospective method.

Loan-backed securities with evidence of deterioration of credit quality for which it is probable that the company will be unable to collect all contractually required payments receivable, are written down to the present value of expected cash flows to be received.

- (7) Common stocks of insurance subsidiaries are carried on the equity basis. The change in the stated value is recorded as a change in net unrealized capital gains or losses, a component of unassigned funds.

FIE carries its interest in Bristol West Holdings, Inc., a non-insurance subsidiary, based on audited US GAAP equity adjusted to a statutory basis of accounting.

- (8) The FIE has investments in joint ventures and partnerships and carries these investments based on the underlying audited GAAP equity of the investee with unrealized gains reflected in the capital and surplus. In addition, the Company also has 100% ownership interest in limited liability companies which in turn own real estate properties. These investments are reported on a depreciated historical basis and marked down to fair value if impaired. Mortgage loans on real estate are principally stated at amortized cost, net of valuation allowances.

Investments in private equity are determined and carried based on fair value. Equity joint ventures fair value is derived from the equity amount of the Fund's audited financial statements with invested assets carried at fair value basis. Fair value for private equity investments are calculated by the Private Equity General Partner(s) using a number of methodologies, which include but are not limited to, public comparable EBITDA multiples, revenue multiples, discounted cash flow analysis and transaction comparable, to estimate fair value. The General Partner(s) also takes into consideration the financial condition and operating results of the investment, the nature of the investment, market information and other factors he/she deems appropriate. Due to the considerable judgment that is required in determining the fair value, amounts ultimately realized from each investment may vary significantly from the fair values presented.

- (9) Investments in derivative instruments, including warrants, are carried at fair value with the corresponding unrealized gain or loss flowing through unassigned funds. Realized gain or loss is reported in the net realized capital gain or loss line of the statement of operations. FIE does not have any investments in derivatives as of December 31, 2022 and 2021.

NOTES TO FINANCIAL STATEMENTS

- (10) FIE utilizes anticipated investment income in the calculation of premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums. FIE evaluates the need for a premium deficiency reserve on a line of business level for all books. At December 31, 2022 and 2021, FIE had not established any premium deficiency reserves based on this calculation.
- (11) Reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported (“IBNR”). Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting reserves are continually reviewed and any adjustments are reflected in the period determined.
- (12) FIE has not modified its capitalization policy from the prior period.
- (13) Not applicable as FIE does not write any medical insurance with prescription drug coverage.

D. Going Concern

Management has evaluated the reporting entity's ability to continue as a going concern, and is satisfied that it has adequate resources to enable it to continue in business for the foreseeable future.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

In 2022, the NAIC revised and added new guidance to SSAP No. 86 - (“Accounting for Derivative Instruments and Hedging Activities”), effective January 1, 2023, with early adoption permitted. This revised guidance expanded the last-of-layer method that permitted only one hedged layer to allow multiple hedged layers of a single closed portfolio. In addition, the modification specified how hedge basis adjustments should be considered when determining credit losses (impairment) for the assets included in the closed portfolio. The guidance clarified for effective hedging accounting to be based on the amortized cost approach, (if the hedged item is valued at amortized cost) and the derivative mirrors that measurement method, and for the basic adjustment for portfolio layer method hedge which is typically valued at fair value, to only occur at hedge termination or at dedesignation, for statutory accounting. The early adoption of these revisions had no material impact on FIE’s 2022 financial statement.

Effective January 1, 2021, the NAIC made substantive revisions to SSAP No. 32R - (“Preferred Stock”), modifying the definitions on classification of preferred stock as redeemable or perpetual. This revision defined redeemable preferred stock as any preferred stock, (regardless of other attributes i.e., voting or dividend rights), which the issuer undertakes to redeem at a price and date(s), both of which are fixed or determinable in any way, and is redeemable either mandatory or at the option of the holders. In addition, it classified and referred perpetual preferred stock as constituting those preferred stocks which are not redeemable or are redeemable solely at the option of the issuer. This revised guidance clarified that preferred stock does not include investments except for Exchange Traded Funds qualifying for preferred stock treatment, as identified by the Securities Valuation Office (“SVO”). It also modified and provided measurement guidance to ensure appropriate, consistent measurement based on the type and terms of preferred stock held, including guidance for mandatory convertible preferred stock. Additionally, it made clarifications on the guidance of impairment, dividend recognition and redemption. When other than temporary impairment (“OTTI”) is identified, preferred stock is written down to fair value as the new cost basis and the write down is treated as realized loss. Dividends are recognized at the fair value of the form in which they are received with any difference between fair value and dividend receivable as gain or loss. The reporting entity that sells or redeems preferred stock back to the issuer shall recognize consideration received in excess of the book/adjusted carrying value as a realized gain or loss, regardless of whether the repurchase is at market value or at a predetermined set call price. These revisions and expanded definitions have been reviewed and incorporated into FIE’s 2021 and subsequent financial statements and had no material impact on FIE’s statutory financial statements.

3. BUSINESS COMBINATIONS AND GOODWILL

A. Statutory Purchase Method

NOTES TO FINANCIAL STATEMENTS

Business Combination - Acquisitions - Metropolitan Property and Casualty Company (“MetLife”)

On December 11, 2020, the Exchanges and FGI announced that they will jointly acquire the US property and casualty (“P&C”) insurance business of Metropolitan Property and Casualty Company (“MetLife”) for total consideration of \$3.94 billion in cash. Under this proposed agreement, Zurich Financial Services will contribute \$2.43 billion of the purchase price through FGI and Farmers will pay \$1.51 billion in cash for MetLife’s auto and home business. The parties expect to complete the transaction in the second quarter of 2021, pending regulatory approvals.

On April 7, 2021, Farmers Exchanges and Farmers Group, Inc. (“FGI”) announced they have jointly completed the acquisition of MetLife’s property and casualty business (“MetLife Auto & Home”) for a purchase price of \$3.94 billion as of April 7, assuming responsibility for 2.4 million policies in force. The closure provides the Farmers brand significant opportunity to expand its customer reach with a truly national presence, grow its core property and casualty business and strengthen its position as one of the leading personal lines carriers in the United States. As part of the transaction, the Farmers Exchanges entered into a 10-year exclusive distribution agreement with MetLife to offer Farmers personal lines products on MetLife’s U.S. Group Benefits platform, which reaches 3,800 employers and approximately 37 million eligible employees.

Under the terms of the transaction, FGI paid MetLife-Inc (“NYSE: MET”) \$3.94 billion, consisting of the combination of cash and securities. Subsequent to this acquisition, on April 8, 2021, FGI sold, for \$1.5 billion, the underlying insurance business to FIE, Truck, and Fire. Direct expenses incurred in connection with this acquisition, including regulatory filings, investment banker’s fees totaled \$15.8 million. FIE’s share of this acquisition was \$1,226.6 million (80%); Truck’s share was \$153.3 million (10%); and Fire’s share was \$153.3 million (10%). This acquisition was recorded using the statutory purchase method of accounting. FIE, Truck, and Fire’s share of the total negative goodwill of \$208.8 million was \$167.0 million, \$20.9 million, and \$20.9 million, respectively.

FIE recorded permitted practice negative goodwill as reflected in the following:

1 Purchased Entity	2 Acquisition Date	3 Cost of Acquired Entity	4 Original Amount of Goodwill	5 Original Amount of Admitted Goodwill
*Farmers Property and Casualty Insurance Company	04/08/2021	\$ 1,226,606,559	\$ (167,035,878)	\$ (167,035,878)
Total	XXX	\$ 1,226,606,559	\$ (167,035,878)	\$ (167,035,878)

1 Purchased Entity	6 Admitted Goodwill as of the Reporting Date	7 Amount of Goodwill Amortized During the Reporting Period	8 Book Value of SCA	9 Admitted Goodwill as a % of SCA BACV, Gross of Admitted Goodwill Col. 6/Col. 8
Farmers Property and Casualty Insurance Company	\$ 0	\$ (154,508,187)	\$ 1,598,666,409	0.0%
Total	0	\$ (154,508,187)	\$ 1,598,666,409	XXX

*Farmers Property and Casualty Insurance Company (“FPC”), formerly Metropolitan Property and Casualty Insurance Company (“MPC”), reflects the new name of the lead company in the previous MetLife Auto and Home block of business, which was acquired by the Exchanges on April 8, 2021.

B. Statutory Merger

Not applicable.

C. Impairment Loss

None.

D. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill

Not applicable. FIE recognized negative goodwill in its purchase of Farmers Property and Casualty Insurance Company.

4. DISCONTINUED OPERATIONS

Not applicable.

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS

A. Mortgage Loans, including Mezzanine Real Estate Loans

- (1) The minimum and maximum lending rates for mortgage loans acquired during 2022 were 2.08% and 6.63% for commercial mortgage loans.
- (2) The maximum percentage of any one loan to the value of security at the origination date of a new loan is 65%.
- (3) There were no taxes, assessments, or amounts advanced and not included in the mortgage loan investment.
- (4) The Company's age analysis of mortgage loans and identification of mortgage loans in which the insurer is a participant or co-lender in a mortgage loan agreement, aggregated by type, was as follows:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. December 31, 2022							
1. Recorded Investment							
(a) Current				\$ 101,958,603			\$ 101,958,603
(b) 30-59 Days Past Due				-			-
(c) 60-89 Days Past Due				-			-
(d) 90-179 Days Past Due				-			-
(e) 180+ Days Past Due				-			-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment				-			-
(b) Interest Accrued				-			-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment				-			-
(b) Interest Accrued				-			-
4. Interest Reduced							
(a) Recorded Investment				-			-
(b) Number of Loans				-			-
(c) Percent Reduced				-			-
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment				101,958,603			\$ 101,958,603
b. December 31, 2021							
1. Recorded Investment							
(a) Current				\$ -			\$ -
(b) 30-59 Days Past Due				-			-
(c) 60-89 Days Past Due				-			-
(d) 90-179 Days Past Due				-			-
(e) 180+ Days Past Due				-			-
2. Accruing Interest 90-179 Days Past Due							
(a) Recorded Investment				-			-
(b) Interest Accrued				-			-
3. Accruing Interest 180+ Days Past Due							
(a) Recorded Investment				-			-
(b) Interest Accrued				-			-
4. Interest Reduced							
(a) Recorded Investment				-			-
(b) Number of Loans				-			-
(c) Percent Reduced				-			-
5. Participant or Co-lender in a Mortgage Loan Agreement							
(a) Recorded Investment				-			-

- (5) The Company's investment in impaired loans with or without allowance for credit losses and impaired loans subject to a participant or co-lender mortgage loan agreement for which the reporting entity is restricted from unilaterally foreclosing on the mortgage loan, were as follows:

- (6) The Company's investment in impaired and nonaccrual loans was as follows:

	Farm	Residential		Commercial		Mezzanine	Total
		Insured	All Other	Insured	All Other		
a. December 31, 2022							
1. Average Recorded Investment	-	-	-	-	-	-	-
2. Interests Income Recognized	-	-	-	-	-	-	-
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-basis Method of Accounting	-	-	-	-	-	-	-
b. December 31, 2021							
1. Average Recorded Investment	-	-	-	-	-	-	-
2. Interests Income Recognized	-	-	-	-	-	-	-
3. Recorded Investments on Nonaccrual Status	-	-	-	-	-	-	-
4. Amount of Interest Income Recognized Using a Cash-basis Method of Accounting	-	-	-	-	-	-	-

- (7) The Company's allowance for credit losses, were as follows:

	12/31/2022	12/31/2021
a. Balance at beginning of period	\$ -	\$ -
b. Additions charged to operations	-	-
c. Direct write-downs charged against the allowances	-	-
d. Recoveries of amounts previously charged off	-	-
e. Balance at end of period	\$ -	\$ -

NOTES TO FINANCIAL STATEMENTS

- (8) Mortgage Loans Derecognized as a Result of Foreclosure – None
- (9) The company recognizes interest income on its impaired mortgage loans upon receipt. As of December 31, 2022, no mortgage loans were impaired.

B. Debt Restructuring

- (1) None.
- (2) None.
- (3) None.
- (4) None.

C. Reverse Mortgages

Not applicable.

D. Loan-Backed Securities

- (1) Prepayment assumptions were obtained from an external securities information service and are consistent with the current interest rate and economic environment.
- (2) Not applicable
- (3) All loan backed other-than-temporary impairment securities were classified as such based on the fact that the present value of cash flows expected to be collected is less than the amortized cost basis of the security. See aggregate totals below.

CUSIP	Book/Adjusted Carrying Value Amortized Cost Before Current Period OTTI	Present Value of Projected Cash Flows	Recognized Other-Than-Temporary Impairment	Amortized Cost After Other-Than-Temporary Impairment	Fair Value at Time of OTTI	Date of Financial Statement Where Reported
225470DX8	\$ 728,747	\$ 714,282	\$ (14,464)	\$ 714,283	\$ 651,969	3/31/2022
576434V76	420,045	396,499	(23,546)	396,499	399,008	3/31/2022
225470DX8	644,598	620,050	(24,549)	620,049	570,599	6/30/2022
576434V76	380,503	374,976	(5,527)	374,976	359,602	6/30/2022
225470DX8	613,413	582,288	(31,125)	582,288	534,847	9/30/2022
576434V76	360,448	355,772	(4,677)	355,771	328,002	9/30/2022
225470DX8	565,623	559,085	(6,538)	559,085	529,412	12/31/2022
576434V76	338,237	326,497	(11,740)	326,497	306,177	12/31/2022
Total	\$ 4,051,614	\$ 3,929,449	\$ (122,166)	\$ 3,929,448	\$ 3,679,616	

- (4) All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
- a. The aggregate amount of unrealized losses:
- | | |
|------------------------|----------------|
| 1. Less than 12 months | (\$31,716,429) |
| 2. 12 months or Longer | (\$76,783,238) |
- b. The aggregate related fair value of securities with unrealized losses:
- | | |
|------------------------|---------------|
| 1. Less than 12 months | \$452,608,211 |
| 2. 12 months or Longer | \$441,983,644 |
- (5) All loan-backed and structured securities were reviewed to determine if there were any indications of potential other-than-temporary impairment. If any indication of other-than-temporary impairment existed, then a cash flow and credit support analysis were performed. If it was determined that the company was to received less than 100% contractual cash flows, an other-than-temporary impairment was measured and taken in accordance with SSAP 43R.

E. Dollar Repurchase Agreements and/or Securities Lending Transactions

- (1) None.

NOTES TO FINANCIAL STATEMENTS

(2-7) None.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

(1-11) Not Applicable.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

(1-10) Not Applicable.

H. Repurchase Agreements Transactions Accounted for as a Sale

(1-9) Not Applicable.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

(1-8) Not Applicable.

J. Real Estate

(1) None.

(2) As of December 31, 2022, the Company sold the following investment properties:

- a) Located in Perris, California, recognized a gain of \$114,623,248 on August 16, 2022.
- b) Located in La Mirada, California, recognized a gain of \$80,890,654 on October 6, 2022.
- c) Located in Lithia Springs, Georgia, recognized a gain of \$29,753,951 on October 28, 2022.

As of December 31, 2022, there were no real estate properties listed for sale by the Company.

(3-5) None.

K. Low-Income Housing Tax Credits (LIHTC)

(1-7) None.

L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Gross (Admitted & Nonadmitted) Restricted							Current Year				
	Current Year					6	7	8	9	Percentage		
	1	2	3	4	5					10	11	
	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity	Total	Total From Prior Year	Increase/Decrease	Total Nonadmitted Restricted	Total Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Asset	Admitted Restricted to Total Admitted Assets	
a. Subject to contractual obligation for which liability is not shown												
b. Collateral held under security lending agreements												
c. Subject to repurchase agreements												
d. Subject to reverse repurchase agreements												
e. Subject to dollar repurchase agreements												
f. Subject to dollar reverse repurchase agreements												
g. Placed under option contracts												
h. Letter stock or securities restricted as to sale excluding FHLB capital stock												
i. FHLB capital stock	15,000,000	-	-	-	15,000,000	15,000,000	-	-	15,000,000	0.07%	0.07%	
j. On deposit with states	579,339,182	-	-	-	579,339,182	637,038,873	(57,699,691)	-	579,339,182	2.53%	2.54%	
k. On deposit with other regulatory bodies	-	-	-	-	-	-	-	-	-			
l. Pledged as collateral to FHLB (including assets backing funding agreements)												
m. Pledged as collateral not captured in other categories												
n. Other restricted assets	157,695,845	-	-	-	157,695,845	-	-	-	157,695,845	0.69%	0.69%	
o. Total Restricted Assets	752,035,027	-	-	-	752,035,027	652,038,873	(57,699,691)	-	752,035,027	3.28%	3.30%	

(2) Details of Assets Pledged as Collateral Not Captured in Other Categories

None.

(3) Detail of Other Restricted Assets

NOTES TO FINANCIAL STATEMENTS

	Gross Restricted							Percentage		
	Current Year							9	10	
	1	2	3	4	5	6	7	8		
Description of Assets	Total General Account (G/A)	G/A Supporting Protected Cell Account Activity (a)	Total Protected Cell Account Restricted Assets	Protected Cell Account Assets Supporting G/A Activity (b)	Total (1 plus 3)	Total From Prior Year	Increase/ (Decrease) (5 minus 6)	Total Current Year Admitted Restricted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
1031 Exchange - Blackrock Fed Fund	157,695,845				157,695,845	-	157,695,845	157,695,845		
Total (c)	157,695,845	-	-	-	157,695,845	-	157,695,845	157,695,845		

(4) Collateral Received and Reflected as Assets Within the Reporting Entity’s Financial Statements

None.

M. Working Capital Finance Investments

Not Applicable.

N. Offsetting and Netting of Assets and Liabilities

Not Applicable.

O. 5GI Securities

None.

P. Short Sales

(1-2) None.

Q. Prepayment Penalty and Acceleration Fees

		General Account	Separate Account
1	Number of CUSIPs	5	-
2	Aggregate Amount of Investment Income	\$ 556,121.00	\$ -

R. Reporting Entity’s Share of Cash Pool by Asset Type

Not Applicable.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

- A. FIE had no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at both December 31, 2022 and 2021.
- B. FIE did not recognize any impairment write down for its investments in joint ventures, partnerships, and limited liability companies during the year ended December 31, 2022.

7. INVESTMENT INCOME

- A. Investment income due and accrued with amounts over 90 days past due is non-admitted.
- B. The total amount of investment income due and accrued excluded from surplus was \$11,346.0 and \$8,213 at December 31, 2022 and 2021, respectively.

8. DERIVATIVE INSTRUMENTS

- A. Derivatives under SSAP No. 86—Derivatives
Not Applicable.
- B. Derivatives under SSAP No. 108—Derivative Hedging Variable Annuity Guarantees
Not Applicable.

NOTES TO FINANCIAL STATEMENTS

9. INCOME TAXES

A. Deferred Tax Asset/ (Liability)

1. The components of the net deferred tax assets/(liability) at December 31 are as follows:

	12/31/2022			12/31/2021		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total
(a) Gross Deferred Tax Assets	\$ 329,049,412	\$ 4,074,787	\$ 333,124,199	\$ 325,073,959	\$ 4,131,902	\$ 329,205,861
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	329,049,412	4,074,787	333,124,199	325,073,959	4,131,902	329,205,861
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	329,049,412	4,074,787	333,124,199	325,073,959	4,131,902	329,205,861
(f) Deferred Tax Liabilities	26,680,777	65,066,810	91,747,587	30,690,511	52,124,056	82,814,567
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 302,368,635</u>	<u>\$ (60,992,023)</u>	<u>241,376,612</u>	<u>\$ 294,383,448</u>	<u>\$ (47,992,154)</u>	<u>\$ 246,391,294</u>

Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

(a) Gross Deferred Tax Assets	\$ 3,975,453	\$ (57,115)	\$ 3,918,338
(b) Statutory Valuation Allowance Adjustments	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	3,975,453	(57,115)	3,918,338
(d) Deferred Tax Assets Nonadmitted	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	3,975,453	(57,115)	3,918,338
(f) Deferred Tax Liabilities	(4,009,734)	12,942,754	8,933,020
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	<u>\$ 7,985,187</u>	<u>\$ (12,999,869)</u>	<u>\$ (5,014,682)</u>

2.

	12/31/2022			12/31/2021		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 274,551,053	\$ 4,074,787	\$ 278,625,840	\$ 263,080,647	\$ 4,131,902	\$ 267,212,549
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(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b) 2 Below)	-	-	-	-	-	-
--	---	---	---	---	---	---

1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	-	-	-	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	---	---	625,154,796	---	---	681,106,563

(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	54,498,359	-	54,498,359	61,993,312	-	61,993,312
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(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 329,049,412</u>	<u>\$ 4,074,787</u>	<u>\$ 333,124,199</u>	<u>\$ 325,073,959</u>	<u>\$ 4,131,902</u>	<u>\$ 329,205,861</u>
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Change		
(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 11,470,406	\$ (57,115)	\$ 11,413,291
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(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b) 2 Below)	-	-	-
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NOTES TO FINANCIAL STATEMENTS

1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	---	---	(55,951,767)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	(7,494,953)	-	(7,494,953)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	<u>\$ 3,975,453</u>	<u>\$ (57,115)</u>	<u>\$ 3,918,338</u>

3.		2022	2021
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(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount	365%	432%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above	\$ 4,143,918,515	\$ 4,461,349,636

4.	12/31/2022		12/31/2021		Change	
	(1)	(2)	(3)	(4)	(5) (Col 1-3)	(6) (Col 2-4)
	Ordinary	Capital	Ordinary	Capital	Ordinary	Capital

Impact of Tax-Planning Strategies

(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, By Tax Character As A Percentage

1. Adjusted Gross DTAs Amount From Note 5A1(c)	\$ 329,049,412	\$ 4,074,787	\$ 325,073,959	\$ 4,131,902	\$ 3,975,453	\$ (57,115)
2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3. Net Admitted Adjusted Gross DTAs Amount From Note 5A1(e)	\$ 329,049,412	\$ 4,074,787	\$ 325,073,959	\$ 4,131,902	\$ 3,975,453	\$ (57,115)
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

(b) Does the company's tax-planning strategies include the use of reinsurance? Yes [] No [X]

B. Deferred Tax Liabilities Not Recognized

FIE is currently recognizing all deferred tax liabilities.

NOTES TO FINANCIAL STATEMENTS

C. Current and Deferred Income Taxes

Current income taxes incurred consist of the following major components:

	(1) 12/31/2022	(2) 12/31/2021	(3) (Col 1-2) Change
1. Current income tax			
(a) Federal	\$ 157,252,207	\$ 132,441,522	\$ 24,810,685
(b) Foreign	-	-	-
(c) Subtotal	157,252,207	132,441,522	24,810,685
(d) Federal income tax on net capital gains (losses)	13,916,655	1,622,239	12,294,416
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Attorney-in-fact credit	(298,040,015)	(205,719,381)	(92,320,634)
(g) Other Tax Credits	-	-	-
(h) Federal and foreign income taxes incurred	<u>\$ (126,871,153)</u>	<u>\$ (71,655,620)</u>	<u>\$ (55,215,533)</u>
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 63,362,657	\$ 63,463,096	\$ (100,439)
(2) Unearned premium reserve	164,987,817	154,863,526	10,124,291
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefit accrual	25,297,421	25,894,764	(597,343)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	5,326,376	1,898,511	3,427,865
(11) Net Operating Loss Carryover	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	2,089,246	4,798,421	(2,709,175)
(14) Other assets - non admitted	22,084,917	23,897,091	(1,812,174)
(15) Intangible Assets	9,274,703	-	9,274,703
(16) Accrued expenses	14,104,368	20,326,072	(6,221,704)
(17) Post retirement accrual	17,186,640	20,960,717	(3,774,077)
(18) Guarantee Fund Asset (Receivable)	-	-	-
(19) Guarantee Fund Assessment	26,493	27,808	(1,315)
(20) Litigation Accrual	5,308,774	8,943,953	(3,635,179)
(99) Subtotal	<u>329,049,412</u>	<u>325,073,959</u>	<u>3,975,453</u>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)	<u>\$ 329,049,412</u>	<u>\$ 325,073,959</u>	<u>\$ 3,975,453</u>
(e) Capital:			
(1) Investments	\$ 2,463,559	\$ 940,477	\$ 1,523,082
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(5) Investment write downs	1,611,228	3,191,425	(1,580,197)
(99) Subtotal	<u>4,074,787</u>	<u>4,131,902</u>	<u>(57,115)</u>
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99-2f-2g)	<u>4,074,787</u>	<u>4,131,902</u>	<u>(57,115)</u>
(i) Admitted deferred tax assets (2d+2h)	<u>\$ 333,124,199</u>	<u>\$ 329,205,861</u>	<u>\$ 3,918,338</u>

NOTES TO FINANCIAL STATEMENTS

3. Deferred tax liabilities:

(a) Ordinary

(1) Investments	\$ 1,059,529	\$ 993,541	\$ 65,988
(2) Fixed assets	7,432,178	8,177,616	(745,438)
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	5,493,596	5,921,145	(427,549)
(6) Pension liabilities	-	-	-
(7) BOLI / ICOLI	-	-	-
(8) Guaranty Funds Receivable	-	-	-
(9) Interest on Surplus Notes	3,987,269	3,987,269	-
(10) Discounting of unpaid losses - Transition Adj.	8,708,205	11,610,940	(2,902,735)
(99) Subtotal	<u>\$ 26,680,777</u>	<u>\$ 30,690,511</u>	<u>\$ (4,009,734)</u>

(b) Capital:

(1) Investments	\$ 17,476,644	\$ 52,124,056	\$ (34,647,412)
(2) Real estate	47,590,166	-	47,590,166
(3) Other	-	-	-
(99) Subtotal	<u>\$ 65,066,810</u>	<u>\$ 52,124,056</u>	<u>\$ 12,942,754</u>

(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 91,747,587</u>	<u>\$ 82,814,567</u>	<u>\$ 8,933,020</u>
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4. Net deferred tax assets/liabilities (2i - 3c)	<u>241,376,612</u>	<u>\$ 246,391,294</u>	<u>\$ (5,014,682)</u>
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5. The change in net deferred income taxes is composed of the following at December 31, 2022 and December 31, 2021 are as follows:

	(1) 12/31/2022	(2) 12/31/2021	(3) (Col 1-2) Change
Adjusted gross deferred tax assets	\$ 333,124,199	\$ 329,205,861	\$ 3,918,338
Total deferred tax liabilities	<u>91,747,587</u>	<u>82,814,567</u>	<u>8,933,020</u>
Net deferred tax asset	241,376,612	246,391,294	(5,014,682)
Tax effect of unrealized (gains) losses			35,749,484
Change in net deferred income tax (charge)/benefit			<u>\$ (40,764,166)</u>

D. Reconciliation of Federal income Tax Rate to Actual Effective Rate.

Among the more significant book to tax adjustments were the following:

	(1) 12/31/2022	Effective Tax Rate
Provision computed at statutory rate	\$ (92,615,734)	21.00%
Tax-exempt interest	(4,855,419)	1.10%
Dividend received deduction	(464,462)	0.11%
25% exemption adjustment	1,329,970	(0.30%)
Unallowable deductions	705,050	(0.16%)
BOLI / ICOLI	12,184,509	(2.76%)
Tax credits	-	0.00%
Net Interest Receivable	(449,921)	0.10%
Prior year under/(over) accrual of income taxes	(325,289)	0.07%
Change in nonadmitted assets	(1,615,691)	0.37%
Expiration of net operating loss	-	0.00%
Loss on sale of subsidiary	-	0.00%
Other	0	0.00%
Total	<u>\$ (86,106,987)</u>	<u>19.52%</u>
Federal income tax incurred/(benefit)	\$ (140,787,808)	31.92%
Tax on capital gains/(losses)	13,916,655	(3.16%)
Less: Change in net deferred income tax	<u>40,764,166</u>	<u>(9.24%)</u>
Total statutory income taxes	<u>\$ (86,106,987)</u>	<u>19.52%</u>

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- When available, FIE utilizes net operating loss carry forwards to offset taxable income under the terms of the tax sharing agreement. As of December 31, 2022, FIE did not have any net operating loss carry forwards.
- The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses as of December 31, 2022 and December 31, 2021 :

	<u>Amount</u>
Current year	\$ 171,371,858
First preceding year	132,938,760

- Deposits admitted under Internal Revenue Service Code Section 6603 None

F. Consolidated Federal Income Tax Return

- FIE's federal income tax return is consolidated with the following entities, with Farmers Insurance Exchange as the parent company.

Farmers Insurance Exchange	Farmers General Insurance Agency, Inc.
21st Century Advantage Insurance Company	Farmers Group Property & Casualty Insurance Company
21st Century Casualty Company	Farmers Insurance Company of Idaho
21st Century Centennial Insurance Company	Farmers Insurance Company of Oregon
21st Century Insurance & Financial Services	Farmers Insurance Company, Inc.
21st Century Insurance Company	Farmers Insurance Hawaii, Inc.
21st Century Insurance Group	Farmers Insurance of Columbus, Inc
21st Century North America Insurance Company	Farmers Lloyds Insurance Company of Texas
21st Century Pinnacle Insurance Company	Farmers Lloyds, Inc.
21st Century Premier Insurance Company	Farmers New Century Insurance Company
American Federation Insurance Company	Farmers Property & Casualty Insurance Company
American Pacific Insurance Company, Inc.	Farmers Specialty Insurance Company
Bristol West Casualty Insurance Company	Foremost Express Insurance Agency, Inc.
Bristol West Holdings, Inc.	Foremost Insurance Company Grand Rapids, Michigan
Bristol West Insurance Company	Foremost Lloyds of Texas
Bristol West Insurance Services of California, Inc.	Foremost Property and Casualty Insurance Company
Bristol West Insurance Services, Inc. of Florida	Foremost Signature Insurance Company
Bristol West Preferred Insurance Company	Hawaii Insurance Consultants Ltd.
BWIS of Nevada, Inc.	Illinois Farmers Insurance Company
Coast National General Agency, Inc.	Kraft Lake Insurance Agency Inc.
Coast National Holding Company	Mid-Century Insurance Company
Coast National Insurance Company	Mid-Century Insurance Company of Texas
Economy Fire & Casualty Company	Security National Insurance Company
Economy Preferred Insurance Company	Texas Farmers Insurance Company
Economy Premier Assurance Company	Toggle Insurance Company
Farmers Casualty Insurance Company	Western Star Insurance Services, Inc.
Farmers Direct Property and Casualty Insurance Company	

- Farmers Insurance Exchange ("FIE") and its eligible affiliates have executed a tax-sharing agreement whereby FIE receives from its affiliates the tax they would pay if they had filed separate returns and pays to the affiliates amounts for any tax benefits reported. Any expense or benefit so derived is recognized in the respective affiliate's current year tax provision. Intercompany tax balances are settled quarterly based on estimates, with the final settlement made annually within 30 days after the return has been filed.

G. Federal or Foreign Federal Income Tax Loss Contingencies

FIE does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. Repatriation Transition Tax (RTT)

The Company does not have any liability for Repatriation Tax.

I. Alternative Minimum Tax (AMT) Credit

	<u>Amount</u>
(1) Gross AMT Credit Recognized as:	
a. Current year recoverable	\$ -
b. Deferred Tax Asset (DTA)	-
(2) Beginning Balance of AMT Credit Carryforward	N/A
(3) Amounts Recovered	\$ -
(4) Adjustments	-
(5) Ending Balance of AMT Credit Carryforward (5=2-3-4)	N/A
(6) Reduction for Sequestration	\$ -
(7) Nonadmitted by Reporting Entity	-
(8) Reporting Entity Ending Balance (8=5-6-7)	<u>N/A</u>

Other On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law by President Biden. The Act includes a new federal corporate alternative minimum tax (CAMT), effective in 2023, that is based on the adjusted financial statement set forth on the applicable financial statements of an applicable corporation.

The CAMT applies to companies with average annual book income of \$1 billion or more and assesses a 15% tax on financial statement income (adjusted for certain items) based on the applicable financial statement to the extent that amount exceeds the regular corporate tax.

The Company has determined it should not be impacted by the new CAMT provision in 2023.

NOTES TO FINANCIAL STATEMENTS

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES, AND OTHER RELATED PARTIES

A. Nature of Relationships

FIE is organized under the laws of the state of California and is the lead company in the Farmers Intercompany Reinsurance Program. Farmers P&C Companies is comprised of the Exchanges, their respective insurance subsidiaries, Farmers Texas County Mutual Insurance Company, Foremost County Mutual Insurance Company, Foremost Lloyds of Texas and Farmers Lloyds Insurance Company of Texas. The subsidiaries of the Exchanges include, among others, Foremost Insurance Company Grand Rapids and its subsidiaries, which were acquired on March 7, 2000, Bristol West Holdings, Inc. and its subsidiaries, which were acquired on July 3, 2007, the 21st Century companies which were acquired on July 1, 2009 and the Farmers Property and Casualty Insurance Company (formerly Metropolitan Property and Casualty Insurance Company) and its subsidiaries (“FWS”), which were acquired on April 8, 2021.

B. Significant Transactions and Changes in Terms of Intercompany Arrangements

On December 31, 2021, Truck and Fire renewed the certificates of contribution in the amount of \$120 million and \$80 million, respectively, that were previously issued to the Farmers Insurance Exchange on December 31, 2011. The interest rate on the renewed notes was decreased by 2.0% to 4.0%. These certificates have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. Interest payments are to be received semi-annually from Truck and Fire. The renewed certificates mature December 31, 2031.

C. Transactions with related parties who are not reported on Schedule Y

(1) Detail of Material Related Party Transactions

None.

(2) Detail of Material Related Party Transactions Involving Services

None.

(3) Detail of Material Related Party Transactions Involving Exchange of Assets and Liabilities

None.

(4) Detail of Amounts Owed To/From a Related Party

None.

D. Amounts Due to or from Related Parties

At December 31, 2022 and 2021, FIE reported \$2,434.5 million and \$2,311.9 million due from affiliates, respectively. The terms of settlement require that these amounts be settled within 45 days.

E. Management, Service Contracts, Cost Sharing Arrangements

Certain members of the Farmers Property and Casualty Companies (collectively, “Farmers”) participate in an intercompany reinsurance agreement in which they share in the net premiums and ultimate losses of affiliates. With FIE as the lead company, Farmers’ companies, (except Farmers Reinsurance Company and 21st Century affiliates business prior to July 1, 2009, and FWS affiliates business prior to April 1, 2021), cede all of their direct and assumed personal business and business insurance to FIE, which then retrocedes a share of the business back to the participants according to their respective participation percentages (see Note 26). For the year ended December 31, 2022, FIE assumed \$8,829.2 million in net premiums written, \$ 8,596.6 million in net premiums earned, and \$5,686.7 million in net losses incurred, as result of its participation in the intercompany reinsurance agreement.

FIE has separate agreements for adjustment services with both Fire and Truck pursuant to which Fire and Truck utilize the services of the employees of FIE in the handling of its claims. These adjustment services agreements were amended in 2022, with FIE allocating cost to each company as services are performed. Allocations occur prior to any applicable Farmers Inter-Company Reinsurance Pooling agreement.

FIE has a service agreement with Farmers Insurance Company, Inc. (“FICO, Inc.”) whereby FICO, Inc. provides claims handling and support services for FIE at its facilities located in Olathe, Kansas, and Oklahoma City, Oklahoma. In addition, FIE has a separate service agreement with FICO, Inc. Under the terms of this agreement, FIE provides various services to FICO, Inc. as are necessary and appropriate for FICO, Inc. to discharge its obligations to its policyholders, shareholders and regulators. This agreement broadly encompasses, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services.

NOTES TO FINANCIAL STATEMENTS

FIE has separate service agreements with Mid-Century Insurance Company of Texas (“MCT”) and the Texas Farmers Insurance Company (“TFIC”), which provide for FIE to collect premiums receipts and provide appropriate accounting for premiums collected by MCT and TFIC, including the reconciliation of policyholder records and monthly settlement of all balances. In addition, FIE has other service agreements with MCT and TFIC, to supplement the premium collection agreements. Under the terms of these supplemental agreements, FIE provides various services to MCT and TFIC as are necessary and appropriate for these two companies to discharge their obligations to policyholders, shareholders and regulators. These agreements broadly encompass, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services.

Effective October 24, 2019, FIE entered into a service agreement with American Federation Insurance Company (“AFIC”) pursuant to which FIE will provides various services, including preparation of insurance policies, calculation of premiums, calculation and payment of commissions to agents, accounting services, claims adjustment services, and other administrative services to AFIC.

Effective April 8, 2021, FIE entered into a service agreement with Farmers Property and Casualty Insurance Company. Under the terms of this agreement, FIE provides various services as are necessary and appropriate to discharge their obligations to their policyholders, shareholders and regulators. These agreements broadly encompass, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services.

FIE also has service agreements with several of its other insurance subsidiaries and affiliates. Under the terms of these agreements, FIE provides various services to each of these companies as are necessary and appropriate for these companies to discharge their obligations to their policyholders, shareholders and regulators. These agreements broadly encompass, claims adjustment services, investment management services, preparation of insurance policies, billing and collections, and other administrative services. Following are the companies with service agreements with FIE:

NOTES TO FINANCIAL STATEMENTS

Company Name	NAIC Company Code	State of Domicile
21st Century Advantage Insurance Co	25232	Minnesota
21st Century Casualty Company	36404	California
21st Century Centennial Insurance Company	34789	Pennsylvania
21st Century Insurance Company	12963	California
21st Century North America Insurance Company	32220	New York
21st Century Pinnacle Insurance Company	10107	New Jersey
21st Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
American Pacific Insurance Company, Inc	10805	Hawaii
Bristol West Casualty Insurance Company	11034	Ohio
Bristol West Insurance Company	19658	Ohio
Bristol West Preferred Insurance Company	12774	Michigan
Civic Property and Casualty Company	10315	California
Coast National Insurance Company	25089	California
Exact Property and Casualty Company	10318	California
Farmers Insurance Hawaii, Inc	28487	Hawaii
Farmers Insurance Company of Arizona	21598	Arizona
Farmers Insurance Company of Idaho	21601	Idaho
Farmers Insurance Company of Oregon	21636	Oregon
Farmers Insurance Company of Washington	21644	Washington
Farmers Insurance of Columbus, Inc.	36889	Ohio
Farmers New Century Insurance Company	10806	Illinois
Farmers New World Life	63177	Washington
Foremost Insurance Company, Grand Rapids	11185	Michigan
Illinois Farmers Insurance Company	21679	Illinois
Mid-Century Insurance Company	21687	California
Neighborhood Spirit Property and Casualty Company	10317	California
Security National Insurance Company	33120	Florida
Toggle Insurance Company	44245	Delaware
Farmers Group Property and Casualty Insurance Company	34339	Rhode Island
Farmers Casualty Insurance Company	40169	Rhode Island
Farmers Direct Property and Casualty Insurance Company	25321	Rhode Island
Farmers Lloyds Insurance Company of Texas	13938	Texas
Economy Fire & Casualty Company	22926	Illinois
Economy Preferred Insurance Company	38067	Illinois
Economy Premier Assurance Company	40649	Illinois

FIE provides marketing, legal services, warehouse and distribution services, audit and training, and related services to FFS Holding, LLC, pursuant to a Service Agreement effective March 1, 2017.

FIE provides marketing, underwriting, reinsurance, operational and related services to the Zurich Personal Insurance business of Maryland Casualty Company, Assurance Company of America, National Standard Insurance Company, Northern Insurance Company of New York, and Universal Underwriters Insurance Company, pursuant to a Service Agreement effective January 1, 1999.

FIE provides certain claims adjusting services for the benefit of Zurich American Insurance Company and its United States affiliated insurers (collectively, "Zurich U.S."), pursuant to a Service Agreement entered into between the parties in November 2000. Under this Agreement, FIE handles, adjudicates, and adjusts Zurich U.S. private passenger auto claims, and is reimbursed for services provided.

Zurich American Insurance Company or its affiliates provide administrative, underwriting, policy issuance, and related services to FIE, Fire Insurance Exchange, Truck Insurance Exchange, and Mid-Century Insurance Company, in conjunction with the following specific insurance programs:

Mechanical Breakdown Insurance Program: Service Agreement between Universal Underwriters Insurance Company and FIE, effective September 1, 1998.

Equipment Breakdown Insurance Program. Service Agreement between Zurich Services Corporation and FIE, Truck Insurance Exchange, Mid-Century Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty, and Neighborhood Spirit Property and Casualty Company, effective November 1, 2000.

NOTES TO FINANCIAL STATEMENTS

The Equipment Breakdown Insurance Program is no longer in effect.

FIE entered into a Service agreement, dated December 7, 2009, whereby Farmers provides collision claims services for Zurich Compania de Seguros, S.A (“Zurich Mexico”) policyholders who wish to have their motor vehicles repaired in the United States for losses which occur in Mexico and which are covered by Zurich Mexico’s “Zmart” insurance policies.

This agreement is no longer in effect.

FIE entered into a Consultancy Agreement, dated August 12, 2010, with Zurich Services Corporation, pursuant to which Zurich Services Corporation will provide risk engineering assessment services to FIE.

This agreement is no longer in effect.

Agency Agreement: Agency agreement between FX Insurance Agency, LLC and Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Civic Property and Casualty Insurance Company, Exact Property and Casualty Company, Neighborhood Spirit Property and Casualty Company, Coast National Insurance Company, 21st Century Insurance Company, 21st Century Casualty Company, Farmers Specialty Insurance Company and other insurers, effective January 1, 2019.

F. Guarantees or Undertakings for Related Parties

There are no guarantees or undertakings, written or otherwise, for the benefit of an affiliate (see Note 14A).

G. Nature of Relationships that Could Affect Operations

FIE is governed by a Board of Governors elected by its policyholders. Management services are provided to FIE by FGI, doing business as Farmers Underwriters Association, its Attorney-in-Fact. FGI is a wholly-owned subsidiary of Zurich Financial Services.

FIE is one of the Farmers’ companies, which is comprised of the following:

NOTES TO FINANCIAL STATEMENTS

Company Name	NAIC Company Code	State of Domicile
Farmers Insurance Exchange	21652	California
Fire Insurance Exchange	21709	California
Truck Insurance Exchange	21660	California
Civic Property And Casualty Company	10315	California
Exact Property And Casualty Company	10318	California
Farmers Insurance Company Of Arizona	21598	Arizona
Farmers Insurance Company Of Idaho	21601	Idaho
Farmers Insurance Company Of Oregon	21636	Oregon
Farmers Insurance Company Of Washington	21644	Washington
Farmers Insurance Company, Inc.	21628	Kansas
Farmers Insurance Of Columbus, Inc.	36889	Ohio
Farmers New Century Insurance Company	10806	Illinois
Farmers Texas County Mutual Insurance Company	24392	Texas
Illinois Farmers Insurance Company	21679	Illinois
Mid-Century Insurance Company	21687	California
Mid-Century Insurance Company Of Texas	28673	Texas
Neighborhood Spirit Property And Casualty Company	10317	California
Texas Farmers Insurance Company	21695	Texas
*Farmers Reinsurance Company	10873	California
Foremost Insurance Company Grand Rapids, Michigan	11185	Michigan
Foremost County Mutual Insurance Company	29254	Texas
Foremost Lloyds Of Texas	41688	Texas
Foremost Signature Insurance Company	41513	Michigan
Foremost Property And Casualty Insurance Company	11800	Michigan
Farmers Specialty Insurance Company	43699	Michigan
Coast National Insurance Company	25089	California
Security National Insurance Company	33120	Florida
Bristol West Insurance Company	19658	Ohio
Bristol West Casualty Insurance Company	11034	Ohio
Bristol West Preferred Insurance Company	12774	Michigan
21st Century North America Insurance Company	32220	New York
21st Century Advantage Insurance Company	25232	Minnesota
21st Century Casualty Company	36404	California
21st Century Centennial Insurance Company	34789	Pennsylvania
21st Century Insurance Company	12963	California
21st Century Pinnacle Insurance Company	10710	New Jersey
21st Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
American Pacific Insurance Company, Inc.	10805	Hawaii
Farmers Insurance Hawaii, Inc.	28487	Hawaii
Toggle Insurance Company	44245	Delaware
Farmers Property And Casualty Insurance Company	26298	Rhode Island
Economy Fire And Casualty Company	22926	Illinois
Economy Preferred Insurance Company	38067	Illinois
Economy Premier Assurance Company	40649	Illinois
Farmers Casualty Insurance Company	40169	Rhode Island
Farmers Direct Property And Casualty Insurance Company	25321	Rhode Island
Farmers Group Property And Casualty Insurance Company	34339	Rhode Island
Farmers Lloyds Insurance Company of Texas	13938	Texas

**Represents a reinsurance company within NAIC Code "0212", which assumes 100% of its business from Farmers Insurance Group entities, with NAIC Group Code: "0069" per terms of reinsurance agreements and combines its statutory results with the Farmers Exchanges.*

NOTES TO FINANCIAL STATEMENTS

For more details on ownership, see Schedule Y.

H. Amount Deducted for Investment in Upstream Company

FIE does not own shares of an upstream intermediate or ultimate parent, which are applicable under Section 4(B)(b)(x) of the NAIC Valuation of Securities manual.

I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets

FIE's investment in, Mid-Century Insurance Company ("Mid-Century"), an affiliate, exceeded 10% of its total admitted assets at both December 31, 2022 and 2021. The following represents summarized information related to Mid-Century (in millions):

	2022	2021
Total assets	\$ <u>7,609</u>	\$ <u>7,450</u>
Total liabilities	3,383	3,245
Total capital and surplus	4,226	4,205
Total liabilities, capital, and surplus	\$ <u>7,609</u>	\$ <u>7,450</u>
Net income (Loss)	\$ <u>(4)</u>	\$ <u>26</u>

J. Write downs for Impairment of Investments in Affiliates

FIE did not recognize any impairment write down on investments in SCA's during the years ended December 31, 2022 and 2021.

K. Foreign Insurance Subsidiary Valued Using CARVM

FIE does not have any investments in foreign insurance companies.

L. Downstream Holding Company Valued Using Look-Through Method

FIE owns equity interest in FCOA, LLC and Bristol West Holdings, Inc., both non-insurance subsidiaries, as well as the various 21st Century non-insurance subsidiaries, which is carried based on audited US GAAP equity adjusted to a statutory basis of accounting.

M. All SCA Investments

FIE's direct and indirect ownership and equity interest in all non-insurance SCA's average is approximately 80%, with the remaining 20% held by Truck and Fire at about 10%, each. FIE's ownership share of the aggregate total admitted and non-admitted balance sheet amounts of all non-insurance SCA's were \$238.8. The aggregate total admitted and non-admitted non-insurance SCA's amounts are as follows:

- (1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (except 8bi entities) - 2022

NOTES TO FINANCIAL STATEMENTS

SCA Entity	Percentage	Gross Amount	Admitted Amount	Nonadmitted Amount
	of SCA Ownership			
a. SSAP No. 97 8a Entities		\$ -	\$ -	\$ -
Total SSAP No. 97 8a Entities	XXX	\$ -	\$ -	\$ -
b. SSAP No. 97 8b(ii) Entities				
Bristol West Holdings, Inc	42	\$ 238,808,318	\$ 238,808,318	\$ -
Total SSAP No. 97 8b(ii) Entities	XXX	\$ 238,808,318	\$ 238,808,318	\$ -
c. SSAP No. 97 8b(iii) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. SSAP No. 97 8b(iv) Entities				
None		\$ -	\$ -	\$ -
Total SSAP No. 97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	\$ 238,808,318	\$ 238,808,318	\$ -
f. Aggregate Total (a+e)	XXX	\$ 238,808,318	\$ 238,808,318	\$ -

(2) NAIC Filing Response Information - 2021

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing*	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code**
a. SSAP No. 97 8a Entities			\$ -			
Total SSAP No. 97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Bristol West Holdings, Inc	S2	8/30/2022	\$ 235,588,423	Y	N	
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	\$ 235,588,423	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities			\$ -			
Total SSAP No. 97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities			\$ -			
Total SSAP No. 97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	\$ 235,588,423	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 235,588,423	XXX	XXX	XXX

* S1 – Sub-1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

N. Investment in Insurance SCAs

FIE does not have any SCA where its audited statutory equity departs from NAIC statutory equity.

O. SCA or SSAP 48 Entity Loss Tracking

Not applicable.

11. DEBT

A. Debt

Not applicable.

B. FHLB (Federal Home Loan Bank) Agreements

NOTES TO FINANCIAL STATEMENTS

B. FHLB (Federal Home Loan Bank) Agreements

(1) FIE is a member of the Federal Home Loan Bank (FHLB) of San Francisco. Through its membership, the Company has conducted business activity (borrowings) with the FHLB. It is part of the Company’s strategy to utilize these funds as backup liquidity. The company has determined the actual/estimated maximum borrowing capacity as \$770,589,950. The Company calculated this amount in accordance with the FHLB of San Francisco’s total financing availability.

(2) FHLB Capital Stock

a. Aggregate Totals

	1 Total 2+3	2 General Account	3 Protected Cell Accounts
1. Current Year			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	15,000,000	15,000,000	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	15,000,000	15,000,000	-
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	770,589,950	XXX	XXX
2. Prior Year-end			
(a) Membership Stock - Class A	-	-	-
(b) Membership Stock - Class B	15,000,000	15,000,000	-
(c) Activity Stock	-	-	-
(d) Excess Stock	-	-	-
(e) Aggregate Total (a+b+c+d)	15,000,000	15,000,000	-
(f) Actual or Estimated Borrowing Capacity as Determined by the Insurer	709,203,594	XXX	XXX

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

Membership Stock	1 Current Year Total (2+3+4+5+6)	2 Not Eligible for Redemption	Eligible for Redemption			
			3 Less Than 6 Months	4 6 Months to Less than 1 Year	5 1 to Less Than 3 Years	6 3 to 5 Years
1. Class A	-	-	-	-	-	-
2. Class B	15,000,000	15,000,000	-	-	-	-

(3) Collateral Pledged to FHLB

a. Amount pledged as of Reporting Date

	1 Fair Value	2 Carrying Value	3 Aggregate Total Borrowing
1. Current Year Total General and Protected Cell Accounts Total Collateral Pledged (Lines 2+3)	-	-	-
2. Current Year General Account Total Collateral Pledged	-	-	-
3. Current Year Protected Cell Accounts Total Collateral Pledged	-	-	-
4. Prior Year-end Total General and Protected Cell Accounts Total Collateral Pledged	-	-	-

b. Maximum Amount Pledged During Reporting Period

	1 Fair Value	2 Carrying Value	3 Amount Borrowed at Time of Max Collateral
1. Current Year Total General and Protected Cell Accounts Maximum Collateral Pledged (Lines 2+3)	-	-	-
2. Current Year General Account Maximum Collateral Pledged	-	-	-
3. Current Year Protected Cell Accounts Maximum Collateral Pledged	-	-	-
4. Prior Year-end Total General and Protected Cell Accounts Maximum Collateral Pledged	-	-	-

NOTES TO FINANCIAL STATEMENTS

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	1 Total 2+3	2 General Account	3 Protected Cell Account	4 Funding Agreements Reserves Established
1. Current Year				
(a) Debt	-	-	-	XXX
(b) Funding Agreements	-	-	-	-
(c) Other	-	-	-	XXX
(d) Aggregate Total (a+b+c)	-	-	-	-
2. Prior Year-end				
(a) Debt	-	-	-	XXX
(b) Funding Agreements	-	-	-	-
(c) Other	-	-	-	XXX
(d) Aggregate Total (a+b+c)	-	-	-	-

b. Maximum Amount during Repoerting Period (Current Year)

	1 Total 2+3	2 General Account	3 Protected Cell Account
1. Debt	-	-	-
2. Funding Agreements	-	-	-
3. Other	-	-	-
4. Aggregate Total (Lines 1+2+3)	-	-	-

c. FHLB - Prepayment Obligations

	Does the company have prepayment obligations obligations under the following arrangements (YES/NO)?
1. Debt	NO
2. Funding Agreements	NO
3. Other	NO

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Benefit Plans

Postretirement Benefits

FIE and certain members of Farmers provide certain postretirement benefits to retired employees. For retirees who retired before January 1, 2010, Farmers postretirement benefits plan provides a contributory defined dollar plan for pre-65 benefit and Premium Reimbursement Account (“PRA”) for post-65 benefit. The PRA is a contribution into an account established by Farmers to cover and help pay for the cost of retiree medical premiums of eligible and qualifying employees. Participants retiring on or after January 1, 2010 are eligible to participate in the Health Retirement Account (“HRA”) and the PRA. The HRA is an account also established by Farmers for eligible employees to help pay for health care premiums in a specified deductible plan until a certain age. Under current plan provisions, health benefits are available for all employees who participated in Farmers group medical benefits plan immediately prior to retirement at age 55 or later with at least 5 years of service. Farmers contributes to the plan only for those who retire with at least 10 years of service. The PRA is not available to those hired after December 31, 2010. The cost of such benefits is accrued over the service period of the employees based on the actuarially determined cost for the period. Employees who retired before January 1, 2010 are also eligible for a life insurance benefit. Obligations for the postretirement benefits plan are paid from Farmers assets. There were no assets separated and allocated to this plan.

A summary of assets, obligations and assumptions of the Postretirement Benefit Plans are as follows at December 31, 2022 and 2021:

(1) Change in benefit obligation

a. Pension Benefits

None.

b. Postretirement Benefits

NOTES TO FINANCIAL STATEMENTS

		Underfunded	
		2022	2021
1	Benefit obligation at beginning of year		
	Adoption of SSAP No. 92 (nonvested obligation)	192,875,246	195,613,830
2	Service cost	7,604,741	7,295,214
3	Interest cost	4,271,100	3,331,226
4	Contribution by plan participants	1,005,545	866,671
5	Actuarial gain /loss	(39,090,557)	(7,385,810)
6	Foreign currency exchange rate changes		
7	Benefits paid	(7,076,445)	(6,845,885)
8	Plan amendments		
9	Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
10	Benefit obligation at end of year	159,589,630	192,875,246

c. Postemployment & Compensated Absence Benefits

None

(2) Change in plan assets

		Postretirement Benefits	
		2022	2021
a.	Fair value of plan assets at beginning of year	-	-
b.	Actual return on plan assets	-	-
c.	Foreign currency exchange rate changes	-	-
d.	Reporting entity Employer contribution	6,070,900	5,979,214
e.	Plan participants' contributions	1,005,545	866,671
f.	Benefits paid	(7,076,445)	(6,845,885)
g.	Business combinations, divestitures and settlements	-	-
h.	Fair value of plan assets at end of year	-	-

(3) Funded Status

		Postretirement Benefits	
		2022	2021
Overfunded:			
a.	Assets (nonadmitted)		
1	Prepaid benefit costs	-	-
2	Overfunded plan assets	-	-
3	Total assets (nonadmitted)	-	-
Underfunded:			
b.	Liabilities recognized		
1	Accrued benefit costs	(159,589,630)	(192,875,246)
2	Liability for pension benefits	-	-
3	Total liabilities recognized	(159,589,630)	(192,875,246)
c.	Unrecognized liabilities	-	-

(4) Components of net periodic cost

		Postretirement Benefits	
		2022	2021
a.	Service cost	7,604,741	7,295,214
b.	Interest cost	4,271,100	3,331,226
c.	Expected return on plan assets		
d.	Transition asset or obligation		
e.	Gains and losses	-	-
f.	Prior service cost or credit	(332,551)	(332,551)
g.	Gain or loss recognized due to a settlement or curtailment	-	-
h.	Total net periodic benefit cost	11,543,290	10,293,889

NOTES TO FINANCIAL STATEMENTS

(5) Other amounts recognized in unassigned funds/(surplus)

		Postretirement Benefits	
		2022	2021
a.	Items not yet recognized as a component of net periodic cost – prior year	(7,438,776)	(385,517)
b.	Net transition (asset) or obligation recognized		
c.	Net prior service cost or (credit) arising during the period		
d.	Net prior service cost or (credit) recognized	332,551	332,551
e.	Net (gain) and loss arising during the period		
f.	Net (gain) and loss recognized	(39,090,557)	(7,385,810)
g.	Items not yet recognized as a component of net periodic cost –	(46,196,782)	(7,438,776)

(6) Amounts in unassigned funds (surplus) not yet recognized in net periodic benefit cost.

		Postretirement Benefits	
		2022	2021
a.	Net transition asset or obligation	-	-
b.	Net prior service cost or credit	(1,022,048)	(1,354,599)
c.	Net recognized (gains) and losses	(45,174,734)	(6,084,177)

(7) Weighted-average assumptions used to determine net periodic benefit cost as of Dec. 31:

		2022	2021
a.	Weighted-average discount rate	2.71%	2.29%
b.	Expected long-term rate of return on plan assets	N/A	N/A
c.	Rate of compensation increase	N/A	N/A
d.	Interest crediting rates	5.00%	5.00%

Weighted-average assumptions used to determine projected benefit obligations as of Dec 31:

		2021	2021
e.	Weighted-average discount rate	5.33%	2.72%
f.	Rate of compensation increase	N/A	N/A
g.	Interest crediting rates	5.00%	5.00%

(8) The amount of the accumulated benefit obligation for the Postretirement Benefit Plans under statutory accounting was \$159.6 million for the current year and \$192.9 million for the prior year.

(9) The health care cost trend rate for participants who retired before January 1, 1991 was 6.75% in 2023, graded down 0.25% each year after until ultimate rate of 5.0% reached in 2031.

(10) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	Year(s)	Amount
a.	2023	\$ 11,322,821
b.	2024	12,742,921
c.	2025	14,223,000
d.	2026	15,608,622
e.	2027	16,691,762
f.	2028-2032	77,938,718

(11) Farmers’ companies currently plan to make contributions to the postretirement benefits plan of \$11.3 million in 2023. FIE’s share of this postretirement benefit contribution is \$0.8.

Farmers’ companies total benefit obligation under statutory accounting at the end of 2022 and 2021 was \$159.6 million and \$192.9 million, respectively. FIE’s share of this postretirement benefit obligation was \$82.6 million and \$99.8

NOTES TO FINANCIAL STATEMENTS

million at December 31, 2022 and 2021, respectively. The total funded status for Farmers' companies was (\$159.6) million and (\$192.9) million, respectively. FIE's share was (\$82.6.) million and (\$99.8) million at December 31, 2022 and 2021, respectively.

- (12) Amounts and types of securities of Farmers and related parties included in plan assets

Not Applicable.

- (13) Alternative method used to amortize prior service amounts or net gains and losses

Not Applicable.

- (14) Substantive commitments

Not Applicable.

- (15) Cost of providing special or contractual termination benefits

Not Applicable.

- (16) Significant gains or losses and/or change in the plan obligation

The significant changes in the plan obligation during the year were driven by two main factors: First, the overall experience gain was primarily driven by the change in corporate bond yield curve from December 31, 2021 to December 31, 2022, illustrated by a 261 bp increase in single equivalent discount rate used to measure benefit obligations. The overall experience gain was primarily driven by the change in corporate bond yield curve from December 31, 2020 to December 31, 2021, illustrated by a 42 bp increase in single equivalent discount rate used to measure benefit obligations. Second, the experience gain was partially offset by losses related to updating the HRA interest crediting rate. Experience gain was partially offset by losses related to updating the trend assumption and the retirement assumptions related to the VSP opt-out population.

- (17) Fair value of plan assets

Not Applicable.

- (18) Election to apply transition guidance

Not Applicable.

B. Description of Investment Policies

Not applicable.

C. Fair Value of Plan Assets

Not applicable.

D. Rate of Return Assumptions

Not applicable.

E. Defined Contribution Plans

Not applicable.

F. Multi-employer Plans

Not applicable.

G. Consolidated/Holding Company Plans

Pension Plan

FIE and certain members of Farmers participate in noncontributory defined benefit pension plans consisting of the qualified Employees' Pension Plan and the non-qualified Employee Benefits Restoration Plan ("EBRP"), all sponsored by Farmers Group, Inc. ("FGI"). As a result, Farmers has no legal obligation for benefits under these Plans.

The Employees' Pension Plan is sponsored and funded by the FGI and was frozen on December 31, 2018. The Employees' Pension Plan covers substantially all employees of FGI (and Farmers Services, LLC ("FS") prior to 2017)

NOTES TO FINANCIAL STATEMENTS

and Farmers employees who were hired prior to January 1, 2018. Prior to January 1, 2009, the Plan provided defined benefits based on years of service and the employee's compensation during the last five years of employment. Effective January 1, 2009, the plan was amended to include cash balance provisions for certain employees, whereas the benefits for the balance of the employees were unchanged. The employees covered under the cash balance provisions are those who, as of December 31, 2008, were non-vested in their pension benefits, those who were under age 40 with less than 10 years of service and those employees hired on or after January 1, 2009. The plan was comprehensively amended effective December 31, 2015 to permit options for participants with a termination of employment on or after December 31, 2015. Such individuals may elect within 180 days of the participant's termination of employment to have his benefit paid in a single lump sum. Additionally, participants who experience a termination of employment on or after December 31, 2015 will have the opportunity to elect to have the actuarial equivalent of such participant's vested benefit at his or her Normal Retirement or Early Retirement Date, if greater, paid to him or her in the form of substantially equal installment payments over a 10-year certain term. On the making of such lump sum or final payment for the 10-year certain installments, neither the participant nor the participant's spouse or beneficiary shall have any further benefit under the Employees' Pension Plan.

The Employee's Pension Plan and the EBRP were amended on October 6, 2016, to modify the provisions to provide for the cessation of benefit accruals as of December 31, 2018. Participants will retain all accrued benefits, including any benefits accrued through December 31, 2018 and will earn only defined contribution retirement benefits starting January 1, 2019. The plan was amended on November 29, 2016, to remove FS as a participating employer of the Employees' Pension Plan effective January 1, 2017. The plan was amended on August 28, 2017, to implement a 1 year service requirement for participation in the Employee's Pension Plan for individuals hired on or after January 1, 2018.

As part of this change, beginning January 1, 2019, Farmers will automatically contribute an additional 4% of eligible base pay to the employees' 401(k) Plan, regardless of the amount contributed by each employee to the 401(k). This new base contribution is in addition to the 6% Farmers match now available.

FGI's funding policy for the Employees' Pension Plan is to contribute an amount at least equal to the minimum required contribution under ERISA/PPA. FGI's policy is to allocate to Farmers their share of the plan cost. Farmers has regularly contributed to the pension plan for their share of the pension cost and Farmers expects future contributions to fully satisfy Farmers portion of the pension liability.

Again no enhancements to existing the Employees' Pension Plan provisions were offered under the VSP program.

For fiscal year 2022 and 2021 plan years, the minimum required pension contribution for FGI did not exceed the full funding limitation under the Internal Revenue Code. As a result, for the years ended December 31, 2021 and 2020, Farmers, FGI and its subsidiaries made no contributions. Farmers contributions to be made in 2023 to the Employees' Pension Plan are currently expected to be \$0.0 million.

Assets of the Employees' Pension Plan are held by an independent trustee primarily in fixed maturity and equity investments. The principal liability is for annuity benefit payments of current and future retirees. Assets of the EBRP are considered FGI's corporate assets and are held in a grantor trust.

The Employee Benefits Restoration Plan ("EBRP provides supplemental retirement benefits for employees whose salary is in excess of the maximum recognizable pay under IRS code 401(a)(17) and excess maximum benefit limitation under IRS code 415. FIE's share of the EBRP was \$0.0 thousand and \$113.5 thousand for the years ended December 2022 and 2021, respectively.

Short Term Incentive Program

Effective January 1, 2009, FIE and certain Farmers' companies, participate in a Short Term Incentive Program ("STIP") and a 401(k) Savings Plan approved by the board of governors.

The STIP is a performance-based plan that provides employees an annual incentive pay based on the achievement of certain goals and individual employee performance. FIE's share of expense under this plan was \$47.9 million and \$52.3 million as of December 31, 2022 and 2021, respectively.

401(k) Savings Plan

Effective January 1, 2009, FIE and certain members of Farmers, participate in a 401(k) Savings Program. Contributions are made by eligible employees up to the yearly maximums allowable as defined by the Internal Revenue Service. FIE

NOTES TO FINANCIAL STATEMENTS

and the Farmers companies match eligible employees' contributions up to 6.0% of earned base pay. All eligible employees are 100% vested in the 401(k) Savings Plan immediately.

Beginning January 1, 2019, Farmers automatically contributes an additional 4% of eligible base pay to the employees' 401(k) Plan, regardless of the amount contributed by each employee to the 401(k). This new base contribution is in addition to the 6% company match now available.

FIE's share of expense under this plan was \$44.7 million and \$41.6 million as of December 31, 2022 and 2021, respectively.

Executive Savings Plan ("ESP")

Effective January 1, 2019, FIE and certain Farmers' companies participate in an Executive Savings Plan ("ESP") approved by the Board of Governors. The Plan is a non-qualified deferred compensation program offered to certain executives in key roles. Contribution credits are made annually by Farmers into a notional account administered by a third party administrator. A participant must have 10 years of eligible service and be age 55 to be vested. Annual contribution credits will be made in December each year. There are no in-service withdrawals from this plan.

H. Postemployment Benefits and Compensated Absences

FIE accrued \$2.6 million and \$2.8 million in compensated absences on behalf of the Farmers companies as of December 31, 2022 and 2021, respectively.

I. Impact of Medicare Modernization Act on Postretirement Benefits

Not applicable

13. CAPITAL AND SURPLUS, DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- A. FIE is a reciprocal exchange and, therefore, does not issue common or preferred stock.
- B. FIE is a reciprocal exchange and, therefore, dividend rate of preferred stock is not applicable.
- C. FIE is a reciprocal exchange and, therefore, dividend restrictions is not applicable.
- D. FIE is a reciprocal exchange and, therefore, dates and amounts of dividends paid is not applicable.
- E. FIE is a reciprocal exchange and, therefore, amount of ordinary dividends that may be paid is not applicable.
- F. No restrictions have been placed on unassigned funds.
- G. FIE does not have advances to surplus.
- H. FIE does not hold stock for special purposes.
- I. The surplus notes were issued at a \$4.0 million discount and reflected as a decrease to unassigned surplus with an offset credit to special surplus funds. This discount is amortized annually at \$100,000 over the term of the surplus notes. As of December 31, 2022, the amortized discount totaled \$500,000 (See Note 13 (K)).
- J. The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and (losses) were \$3,145.3 million and \$3,057.3 million at December 31, 2022 and 2021, respectively.

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K. Surplus Notes

FIE received cash contributions pursuant to which FIE issued surplus notes (the “notes”) to qualified institutional buyers, and certificates of contribution (the “certificates”) to ZAIC affiliates as follows:

1 Item Number	2 Date Issued	3 Interest Rate	4 Original Issue Amount of Note	5 Is Surplus Note Holder a Related Party (Y/N)	6 Carrying Value of Note Prior Year	7 Carrying Value of Note Current Year*	8 Unapproved Interest And/Or Principal
0001	05/11/94	8.625%	\$ 203,444,000	N	\$ 203,444,000	\$ 203,444,000	\$ -
0002	07/10/98	7.050%	\$ 373,077,923	N	\$ 279,776,923	\$ 279,776,923	\$ -
0003	07/10/98	7.200%	\$ 111,923,077	N	\$ 103,316,077	\$ 103,316,077	\$ -
0004	11/05/13	6.151%	\$ 312,000,000	N	\$ 312,000,000	\$ 312,000,000	\$ -
0005	10/07/14	5.454%	\$ 399,000,000	N	\$ 399,000,000	\$ 399,000,000	\$ -
0006	10/10/17	4.747%	\$ 400,000,000	N	\$ 396,400,000	\$ 396,500,000	\$ -
0007	12/20/17	3.758%	\$ 100,000,000	N	\$ 100,000,000	\$ -	\$ -
Total	XXX	XXX	\$ 1,899,445,000	XXX	\$ 1,793,937,000	\$1,694,037,000	\$ -

* Total should agree with Page 3, Line 33.

1 Item Number	9 Current Year Interest Expense Recognized	10 Life-To-Date Interest Expense Recognized	11 Current Year Interest Offset Percentage (not including amounts paid to a 3rd party liquidity provider)	12 Current Year Principal Paid	13 Life-To-Date Principal Paid	14 Date of Maturity	15 Are Surplus Note Payments Contractually Linked? (Y/N)
0001	\$ 17,547,045	\$ 499,603,365	0.000%	\$ -	\$ -	05/01/24	N
0002	\$ 19,724,273	\$ 479,464,204	0.000%	\$ -	\$ -	07/15/28	N
0003	\$ 7,438,758	\$ 180,823,800	0.000%	\$ -	\$ -	07/15/48	N
0004	\$ 19,191,120	\$ 172,506,845	0.000%	\$ -	\$ -	11/01/53	N
0005	\$ 21,761,459	\$ 174,091,676	0.000%	\$ -	\$ -	10/15/54	N
0006	\$ 18,988,000	\$ 95,731,167	0.000%	\$ -	\$ -	11/01/57	N
0007	\$ 3,758,000	\$ 18,790,000	0.000%	\$ -	\$ -	12/20/27	N
Total	\$108,408,655	\$1,621,011,057	XXX	\$ -	\$ -	XXX	XXX

1 Item Number	16 Surplus Note Payments Subject to Admini- strative Offsetting Provisions? (Y/N)	17 Were Surplus Note Proceeds Used to Purchase an Asset Directly From the Holder of the Surplus Note? (Y/N)	18 Is Asset Issuer a Related Party (Y/N)	19 Type of Assets Received Upon Issuance	20 Principal Amount of Assets Received Upon Issuance	21 Book/Adjusted Carry Value of Assets	22 Is Liquidity Source a Related Party to the Surplus Note Issuer? (Y/N)
0001	N	N	N	Cash	\$ -	\$ -	N
0002	N	Y	Y	Cash	\$ 93,301,000	\$ 93,301,000	Y
0003	N	Y	Y	Cash	\$ 8,607,000	\$ 8,607,000	Y
0004	N	N	N	Cash	\$ -	\$ -	N
0005	N	N	N	Cash	\$ -	\$ -	N
0006	N	N	N	Cash	\$ -	\$ -	N
0007	N	N	N	Cash	\$ -	\$ -	N
Total	XXX	XXX	XXX	XXX	\$ 101,908,000	\$ 101,908,000	XXX

The surplus notes in the amount of \$203.4 million listed under 0001 above were issued to qualified institutional buyers in the open market on May 11, 1994 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature May 1, 2024. The original issued amount of these notes was \$300 million, but, notes with a par value of \$96.6 million of these notes were redeemed in November 2013 by FIE for \$130.9 million, a premium of \$34.3 million. These

NOTES TO FINANCIAL STATEMENTS

surplus notes were redeemed with the approval of the California Insurance Commissioner and the liability for those notes has been extinguished.

The trust surplus notes in the carrying value amount of \$279.8 million listed under 0002 above were issued to qualified institutional buyers in the open market on July 10, 1998 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature July 15, 2028. The original issued amount of these notes was \$373.1 million, but, notes with a par value of \$93.3 million were repurchased in November 2013 by FIE for \$116.8 million, a premium of \$23.5 million. Under the terms of the note indentures, these notes could not be redeemed and the liabilities for the obligations cannot be extinguished until maturity. Therefore, FIE owns the trust notes and has reclassified the underlying surplus notes as notes payable (a liability) in the accompanying financial statements. The Trust Notes held as assets by FIE have been netted against the Notes Payable in the financial statements. In addition, the expense for implied future interest paid on the Notes Payable has been netted against the implied Interest income received on the Trust Notes. This accounting treatment complies with the requirements for offsetting and netting found in SSAP No. 64, paragraph 2. Because the principal amounts of the 2028 Trust Notes owned by FIE are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), the valuation requirements of paragraph 11. of SSAP No. 41R are not deemed applicable and the Trust Notes are carried at par value.

The trust surplus notes in the carrying value amount of \$103.3 million listed under 0003 above were issued to qualified institutional buyers in the open market on July 10, 1998 and are administered by JP Morgan Chase Bank. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The notes mature July 15, 2048. The original issued amount of these notes was \$111.9 million, but as also described above, notes with a par value of \$8.6 million were repurchased in November 2013 by FIE for \$10.0 million, a premium of \$1.4 million. Under the terms of the note indentures, these notes could not be redeemed and the liabilities for the obligations cannot be extinguished until maturity. Therefore, as described above, FIE owns the trust notes and has reclassified the underlying surplus notes as notes payable (a liability) in the accompanying financial statements. The Trust Notes held as assets by FIE have been netted against the Notes Payable in the financial statements. In addition, the expense for implied future interest paid on the Notes Payable has been netted against the implied Interest income received on the Trust Notes. Similar to the 2028 Trust Notes, this accounting treatment complies with the requirements for offsetting and netting found in SSAP No. 64, paragraph 2. Because the principal amounts of the 2048 Trust Notes owned by FIE are equal to the obligations owed to it under the terms of the underlying surplus notes (Notes Payable), the valuation requirements of paragraph 11. of SSAP No. 41R are also not deemed applicable and the Trust Notes are carried at par value.

The trust surplus notes in the amount of \$312 million listed under 0004 above were issued to qualified institutional buyers in the open market on November 5, 2013 and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal.

The trust surplus notes in the amount of \$399 million listed under 0005 above were issued to qualified institutional buyers in the open market on October 7, 2014 and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal.

The surplus notes in the carrying value amount of \$396 million listed under 0006 above were issued to private qualified institutional investors on October 16, 2017 at a fixed rate of 4.747% and are administered by The Bank of New York Mellon Trust Company, NA. The notes are unsecured and subordinated to all present and future senior indebtedness and policy claims. The notes mature November 1, 2057. The notes have restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. The surplus notes were issued at a \$4.0 million discount and reflected as a decrease to unassigned surplus with an offset credit to special surplus funds. The balances in the unassigned surplus and the special surplus funds are subsequently reduced as the discounts are amortized/accreted into the income statement with offset to the underlying surplus notes. This discount is amortized annually over the term of the surplus notes.

The surplus note in the amount of \$100 million of 10-year surplus note at 3.758% listed under 0007, was issued to the Farmers New World Life Insurance on December 20, 2017, which is owned by FGI, the Attorney-in-Fact of the Exchanges. The note is unsecured and subordinated to all present and future senior indebtedness and policy claims. The note has restrictions, which require the approval of the California Insurance Commissioner before payment of interest or repayment of principal. These surplus notes were approved by the California Insurance Commissioner. On December 20, 2022, the \$100 million of 10-year no call five-year note was redeemed. The repayment of principal and payment of interest was approved by the California Insurance Commissioner.

(L-M) FIE has not undergone any quasi-reorganizations.

NOTES TO FINANCIAL STATEMENTS

14. LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

As of December 31, 2022, FIE had remaining commitments of \$528,662, \$61,200, \$788,288, \$65,305,224, and \$700,897 related to Impact Community Capital, Impact Huntington Equity, Impact Huntington Member Loan, Impact Revolving Member Loan, and MetLife Commercial Mortgage Loan Investment, respectively.

B. Assessments

- (1) FIE receives periodic assessments from certain states to reimburse policyholders and claimants of insolvent carriers. Depending on the guidelines established by each state, the assessments are expensed, recouped from policyholders or utilized as credits against premium taxes. Premium Tax credits are realized between 3 To 10 years depending on the guidelines established by each state.

In 2022, FIE has accrued a liability for guaranty fund and related assets for premium tax credits or policy surcharges of \$0.5 million as well as related premium tax benefit assets and policy surcharges assets of \$0.5 million. The amounts recorded represent management's best estimates based on assessment rate information received from the states in which the Company writes business and the direct premiums written in those states. The liability is included in the taxes, licenses and fees liability and will be paid in the next year.

- (2) Rollforward of related assets:

a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$ 19,744
b. Decreased current year:	
Premium tax offsets applied	223,106
Premium tax offsets charged off	
Policy surcharges collected	246,271
Policy surcharges charged off	
c. Increased current year:	
Premium tax offsets accrued	662,114
Policy surcharges accrued	262,626
d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$ <u>475,107</u>

- (3) Not Applicable

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

FIE paid the following amounts during the reporting period in settlement of lawsuits alleging extra-contractual causes of action:

	Direct
Claims related ECO and bad faith losses paid	\$ 2,390,906

Number of lawsuits alleging extra-contractual causes of action during the reporting period:

(a)	(b)	(c)	(d)	(e)
0-25 Claims	26-50 claims	51-100 claims	101-500 Claims	More than 500 Claims
	X			

Indicate whether claim count information is disclosed per claim or per claimant.

(f) Per Claim [X]

(g) Per Claimant []

E. Product Warranties

None.

NOTES TO FINANCIAL STATEMENTS

F. Joint and Several Liabilities

None.

G. All Other Contingencies

Litigation

Certain of Farmers companies are defendants in certain lawsuits arising in the normal course of business, which are in various stages of development. Some of these matters seek punitive as well as compensatory damages. While it is not possible to predict the outcome of these matters with certainty, management believes that their ultimate disposition will not have a material effect on FIE's financial position or results of operations. In addition, certain of the Farmers companies are, from time to time, involved as parties in various governmental and administrative proceedings.

California Earthquake Authority

Fire is a participant in the California Earthquake Authority ("CEA") on behalf of the Farmers P&C Companies. The CEA was established by the California Legislature to provide earthquake insurance to the owners of residential property in the state of California. Insurers who elect to participate in the program are liable for a portion of aggregate losses up to \$1.7 billion, contingent on losses exceeding a specified limit. Effective March 18, 2022, the latest date for which information was available, the Farmers companies' residential earthquake insurance market share was 12.56%, and its respective share of this contingent liability was \$208.8 million at December 31, 2022. In the case of a triggering event, and based on its intercompany reinsurance participation of 51.75%, FIE's share of this contingent liability before external reinsurance would be \$108.1 million. As of December 31, 2022, a triggering event has not occurred, and, therefore, no provision has been made in the accompanying financial statements for any liability or loss that may result from a catastrophic earthquake event.

Surplus Loan Note Facility

Effective June 28, 2019, FIE renewed its \$500 million contingent surplus note facility with a range of bank and non-bank lenders. The facility, which was initially developed in 2007, provides FIE with the ability to issue 5-year surplus notes at any time during a three-year period in the event of a specified major catastrophe loss, at a pre-agreed price. This transaction aligns with the FIE focus on preserving their long-term capital strength, even after a major catastrophic event. FIE has not borrowed against the current or prior lines of credit on this facility. The majority of the fees associated with this program are typically front ended at the beginning of each renewal period, and as a result, the fees paid by FIE for the right to access this facility were \$0.0 million and \$1.6 million at December 31, 2022 and 2021, respectively.

This agreement expired on June 28, 2021 and was not renewed.

Revolving Credit Facility Framework Agreement

FIE and certain of the Farmers' companies entered into a Revolving Credit Facility Framework Agreement for the purposes of eliminating the need to maintain large cash balances or unnecessarily liquidating investments during the monthly reinsurance cash settlement process among participating affiliates. The revolving credit framework allows participating affiliates to make short term loans to each other to cover debt arising from the monthly reinsurance settlement process. The loans, executed on an as-needed basis, mature in ninety (90) days and cannot exceed in the cumulative aggregate three percent (3%) of a borrower's or lender's admitted assets. Loans may be collateralized with a pledge of securities at lender's option, and in any event, must be collateralized if the loan crosses from one calendar year into the next calendar year such that the loan is secured and perfected as of December 31 of the year the loan was made. Parties to the agreement will renegotiate the terms of the agreement at least once every three (3) years. The agreement has been non-disapproved by the California Department of Insurance as well as by the regulators of the domiciliary states of FIE affiliates outside of California. During the year, the FIE loaned funds to Truck and Mid-Century Insurance Company under this agreement and subsequently received back, in cash, from Truck and Mid-Century Insurance Company, the full repayment of the principal balance during the same year, with interest, per terms of the agreement. In addition, FIE borrowed funds from Truck and Mid-Century Insurance Company under this agreement and subsequently paid back, in cash, to Truck and Mid-Century Insurance Company, the full repayment of the principal balance during the same year, with interest, per terms of the agreement. At December 31, 2022 there was no outstanding loan balance on this revolving credit facility.

Federal Home Loan Bank Revolving Facility

In 2019, the "Exchanges applied and subsequently gained membership into the Federal Home Loan Bank of San Francisco ("FHLB"), allowing qualifying participants to purchase stock in and do business with the bank. In addition, membership in this bank allows the Exchanges to gain access to FHLB financing. Membership of the Exchanges in the FHLB will allow the Exchanges to borrow up to \$500 million in the aggregate from FHLB, with up to \$400 million of that amount available to FIE. Each of the Exchanges will secure any FHLB advances with its own assets and each expects to remain an FHLB member for so long as it sees value in the membership.

The Exchanges have not borrowed against the current or prior lines of credit on the facility.

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Structured Settlements

FIE is contingently liable for losses settled via structured settlements of approximately \$16,817,777 (See Note 27 for additional disclosure).

15. LEASES

A. Lessee Operating Leases

- (1) FIE leases certain computer equipment under various non-cancelable operating lease agreements. The leases are entered into for three-year periods and are generally renewed as they expire. Rental expense for 2022 and 2021 was \$4.1 million and \$5.1 million, respectively.

FIE leases office space in various locations across the country under various non-cancelable operating lease agreements which expire through the year 2034. Rental expense for 2022 and 2021 was \$37.9 million and \$42.8 million, respectively.

In addition, FIE leases fleet vehicles through LeasePlan under open-ended leases. The leases are entered into for a minimum of 12 month periods and generally maintain a life cycle to replace every 3 years. FIE's total rent expense for the year ended December 31, 2022 and 2021 was \$10.3 million and \$11.3, respectively.

There were certain operating leased space and computer equipment lease agreements that were terminated early throughout the course of the year. As a result, FIE recognized an expense for cost to terminate leases before the end of their term as permitted in the cancellations options included in the lease. Through December 31, 2022, FIE incurred \$1.3 million for the early termination of operating leased space and \$0.0 million for the early termination of leased computer equipment.

- (2) Leases having initial or remaining noncancelable lease terms in excess of one year

(A) As of December 31, 2022, the minimum aggregate rental commitments for the above obligations are as follows:

Year Ending December 31:	Total Operating Lease
1. 2023	\$ 49,311,482
2. 2024	\$ 36,373,955
3. 2025	\$ 28,104,987
4. 2026	\$ 25,592,435
5. 2027	\$ 23,636,156
6. Thereafter	\$ 126,573,930
Total (sum of 1 through 6)	\$ 289,592,945

NOTES TO FINANCIAL STATEMENTS

(B) As of December 31, 2022, the minimum rentals to be received in the future under subleases that were included as gross operating leases above are as follows:

Year Ending December 31:	Rentals To Be Received
1. 2023	\$ 7,528,156
2. 2024	\$ 7,338,118
3. 2025	\$ 6,934,608
4. 2026	\$ 7,013,002
5. 2027	\$ 7,153,263
6. Thereafter	\$ -
Total (sum of 1 through 6)	\$ 35,967,146

(3) On August 27th, 2019, Foremost Insurance Company Grand Rapids a downstream subsidiary of FIE, sold four of its properties located in Caledonia and Michigan for \$145.0 million. The sale created a sale-leaseback transaction over the lease term of 15 years. As a result, the after tax capital gain amount of \$59.5 million was reported in the Aggregate write-ins for the Special Surplus Funds, and will be amortized to Unassigned Surplus Funds in relation to the gross rental charges over the lease term.

B. Lessor Leases

Not applicable.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

A. Transfers of Receivables Reported as Sales

Not applicable.

B. Transfer and Servicing of Financial Assets

Not applicable.

C. Wash Sales

FIE had no wash sale transactions in the periods presented that require disclosure.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A. ASO Plans

Not applicable.

B. ASC Plans

Not applicable.

C. Medicare or Similarly Structured Cost Based Reimbursement Contract

Not applicable.

NOTES TO FINANCIAL STATEMENTS

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

Not applicable.

20. FAIR VALUE MEASUREMENTS

A. Inputs Used For Assets Measured At Fair Value

1. Fair Value Measurements by Levels 1, 2 and 3

FIE has categorized its assets that are measured at fair value into the three-level fair value hierarchy as reflected in the table below. (in thousands)

Level 1 - are liquid investments traded in active markets and valued based on unadjusted quoted prices. Assets in this category are preferred and common stock securities.

Level 2 - The securities that fall into this category are bonds, preferred stocks, common stocks and call options which are not exchange traded. These securities are valued based upon models with observable inputs - for example market interest rates, credit spreads etc. They may have been determined by independent pricing services using observable inputs.

Level 3 - are investments valued based upon models with "significant" non-observable inputs (assumptions). Such assumptions can be about loss severities, prepayment speed, interest rate volatilities, earnings forecast, comparables sales etc.

(1)	(2)	(3)	(4)	(5)	(6)
Description for each class of asset or liability	Level 1	Level 2	Level 3	Total	Net Asset Value (NAV)
a. Assets at Fair Value					
Perpetual Preferred stock					
Industrial and Misc	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Perpetual Preferred Stocks	\$ -	\$ -	\$ -	\$ -	\$ -
Bonds					
U.S. Governments	-	-	-	-	-
Industrial and Misc	-	67,350,057	685,664	68,035,721	-
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Bonds	\$ -	\$ 67,350,057	\$ 685,664	\$ 68,035,721	\$ -
Common Stock					
Industrial and Misc	182,725,628	15,000,000	286,966	198,012,594	-
Parent, Subsidiaries and Affiliates	-	-	-	-	-
Total Common Stocks	\$ 182,725,628	\$ 15,000,000	\$ 286,966	\$ 198,012,594	\$ -
Derivatives					
Warrants	-	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -	\$ -
Joint Venture Interest Other	-	-	-	-	-
Total Assets at Fair Value	\$ 182,725,628	\$ 82,350,057	\$ 972,630	\$ 266,048,315	\$ -

2. Rollforward of Level 3

None.

3. Policy on Transfers In and Out of Level 3

At the end of each reporting period, FIE evaluates whether or not any event has occurred or circumstances have changed that would cause an investment to be transferred in or out of Level 3.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

Bonds carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations as quoted markets prices for similar instruments in an active market were utilized. This was accomplished by the use of matrix pricing. Matrix pricing takes quoted prices of bonds with similar features that are inputs into the analysis included duration, credit quality, tax status and call and sinking fund features.

Common stocks carried at fair value categorized as Level 2 were valued using a market approach. These valuations were determined to be Level 2 valuations because quoted markets prices for identical instruments trading in an

NOTES TO FINANCIAL STATEMENTS

inactive market were utilized. When an equity instrument is illiquid due to limited trading activity, the use of quoted markets prices for identical instruments was determined by FIE to be the most reliable method to determine fair value.

5. Derivative Fair Values

None.

B. Other Fair Value Disclosures

None.

C. Fair Values for All Financial Instruments by Levels 1, 2 and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries, joint ventures and ventures). The fair values are also categorized into the three-level fair value hierarchy as described above in Note 20A:

All Investment Assets at Fair Value as of December 31, 2022:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Not Practicable (Carrying Value)
a. Assets at Fair Value							
Bonds	\$ 4,246,547,260	\$ 4,519,528,832	\$ -	\$ 4,163,144,194	\$ 83,403,066	\$ -	\$ -
Preferred Stock	-	-	-	-	-	-	-
Common Stock	198,012,595	198,067,826	182,725,628	15,000,000	286,966	-	-
Real Estate	-	-	-	-	-	-	-
Cash, Cash Equivalents and Short-Term	841,816,533	842,992,137	681,759,562	160,056,972	-	-	-
Receivable for Securities	1,544,130	1,544,130	1,544,130	-	-	-	-
Derivative Instruments	-	-	-	-	-	-	-
Securities Lending	-	-	-	-	-	-	-
Mortgage Loans - Unaffiliated	94,677,025	101,958,603	-	-	94,677,025	-	-
Mortgage Loan Joint Venture Interest-Unaffiliated	-	-	-	-	-	-	-
Joint Venture Loans and Interest	1,838,337	2,011,403	-	-	1,838,337	-	-
Surplus Debentures, etc - Affiliated	170,637,641	200,000,000	-	-	170,637,641	-	-
Other Class Unaffiliated	-	-	-	-	-	-	-
Fixed or Variable Rate - Bonds - Unaffiliated	-	-	-	-	-	-	-
Total Assets at Fair Value	\$ 5,555,073,520	\$ 5,866,102,931	\$ 866,029,320	\$ 4,338,201,165	\$ 350,843,035	\$ -	\$ -
b. Liabilities at Fair Value							
Payable for securities	65,399,689	65,399,689	65,399,689	-	-	-	-
Total Liabilities at Fair Value	\$ 65,399,689	\$ 65,399,689	\$ 65,399,689	\$ -	\$ -	\$ -	\$ -

D. Reasons Not Practical to Estimate Fair Values

None.

E. Investments Measured at Net Asset Value ("NAV")

None.

21. OTHER ITEMS

A. Unusual or Infrequent Items

None.

B. Troubled Debt Restructuring: Debtors

Not applicable.

C. Other Disclosures

All Lines Quota Share Reinsurance Agreement

Farmers began participating in an All Lines Quota Share reinsurance agreement ("ALQS") with Farmers Re and Zurich in 2002, which has been amended over the years with the aggregate participation ratio at 31% effective December 31, 2022.

Following are the participating reinsurers in the ALQS for year's 2022 and 2021, effective December 31, 2022 and 2021, respectively:

NOTES TO FINANCIAL STATEMENTS

<u>Reinsurers</u>	<u>2022</u>	<u>2021</u>
Swiss Reinsurance Company Limited (“Swiss Zurich”)	9.00%	9.00%
Hannover Rück SE (“Hannover Re”)	9.00%	9.00%
Farmers Reinsurance Company (“Farmers Re”)	8.50%	1.75%
Munich Reinsurance America, Inc., (“Munich Re”)	4.50%	9.00%
Catlin Reinsurance Switzerland Limited (“Catlin Re”)	<u>0.00%</u>	<u>2.25%</u>
Total	31.00%	31.00%

The ALQS agreement, effective December 31, 2022, has substantially the same terms as previous agreements but with several features added to certain sections of the treaty. In addition to these changes, the participation ratios of Farmers Re was increased by 6.75%, while those of Munich Re and Catlin Re, were reduced by 4.5% and 2.25%, respectively. Consequently, Catlin Re was removed as a participant to the treaty. Unearned premiums totaling \$744.8 million were transferred from Farmers to Farmers Re as a result of its increased participation in the ALQS agreement effective December 31, 2022. The new treaty calls for Farmers Re to assume an additional 6.75% of the quota share results to 8.50%. The incremental 6.75% is on a funds withheld basis and therefore no additional net funds, refunds, or deposits were required as a result of its increased participation in the ALQS agreement. On the other hand, unearned premiums totaling \$496.5 million and \$248.3 million were transferred from Munich Re and Catline Re, respectively, to Farmers as a result of their decreased participation in the ALQS. Both Munich Re and Catline Re are on a funds withheld basis and therefore no additional net funds, refunds, or deposits were required as a result of their decreased participation in the ALQS agreement.

Additionally, the catastrophe losses subject to this treaty are limited to a provisional maximum of \$2.008 billion annually, adjusted and limited to a pro rata share of 8.0% of the subject net earned premiums. In addition, there is a 3 pts Auto Loss Corridor for all Personal Auto Books (Farmers Brand, 21st, FWS and Bristol West), from 60.52% - 63.52%. Further, this treaty provides for a provisional ceding commission of 38.36% at a provisional loss ratio of 60.14%. For all trading partners, a sliding scale ceding commission is calculated based 1:1 on the difference from the provisional loss ratio, with a minimum of 35.86% and a maximum of 39.36%, after the application of the Auto Loss Corridor, and the Cat Cap.

Concurrent with this change in the ALQS participation ratios for some reinsurers, also effective December 31, 2022, Farmers Re retrocedes a portion of the risk it assumes from the Farmers Exchanges to Zurich Global Ltd (“ZGL”), a subsidiary of the Zurich Holding Company of America, Inc., through a quota share retrocession treaty, the All Lines Quota Share Retrocession reinsurance agreement (“All Lines Retrocession agreement”). The material terms of the All Lines Retrocession agreement mirror the terms of the ALQS agreement. Unearned premiums totaling \$744.8 million were ceded by Farmers Re to ZGL as a result of this All Lines Retrocession agreement. ZGL is on a funds withheld basis and therefore no additional net funds, refunds, or deposits were required as a results of this All Lines Retrocession agreement.

Following are the participation reinsurers in the ALQS effective December 31, 2022, as discussed above. These ratios reflect overall net results after the retrocession of 6.75% of the quota share that Farmers Re assumed from Farmers to ZGL under a standalone separate agreement, also effective December 31, 2022:

<u>Reinsurers</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
Swiss Reinsurance Company Limited (“Swiss Zurich”)	9.00%	9.00%	0.00%
Hannover Rück SE (“Hannover Re”)	9.00%	9.00%	0.00%
Farmers Reinsurance Company (“Farmers Re”)	8.50%	1.75%	6.75%
Farmers Re (Retrocession to ZGL)*	<u>-6.75%</u>	<u>0.00%</u>	<u>-6.75%</u>
Subtotal Farmers Re	1.75%	1.75%	0.00%
Munich Reinsurance America, Inc., (“Munich Re”)	4.50%	9.00%	-4.50%
Catlin Reinsurance Switzerland Limited (“Catlin Re”)	0.00%	2.25%	-2.25%
Zurich Global Limited (Assumed from Farmers Re)*	<u>6.75%</u>	<u>0.00%</u>	<u>6.75%</u>
Total	31.00%	31.00%	0.00%

Based on the results for the current and prior years, FIE's share of the following were (in millions):

	2022	2021
Ceded Premiums Earned	\$ 3,898.5	\$ 3,700.4
Recoveries	2,856.3	2,609.4
Ceding Commissions	1,270.8	1,335.6

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Ride Share Services (“Uber Business”)

Effective March 1, 2022, FIE amended its insurance program agreement with Raiser, LLC (“Uber”) with the total of its Uber related operating territories remaining the same at seventeen states, including Hawaii. This revised agreement, which has been amended several since its inception, provides commercial auto insurance protection for Uber and their independent contractor drivers while engaging in official company ridesharing activities. Insurance coverage provided by FIE includes commercial automobile liability, commercial automobile physical damage and related coverages for Uber, its affiliates and independent contractors utilizing digital networks operated by Uber. The annual premium written for Uber totaled \$684.2 million and \$338.4 million for the years ended December 31, 2022 and December 2021, respectively. This agreement also provides for Uber to maintain a Notional Funds Withheld Account deposit with FIE.

Concurrent with this amended Uber insurance program agreement, also effective March 1, 2022, FIE amended the Quota Share agreement with Aleka Insurance, Inc. (“Aleka”), a subsidiary of Uber, to cede 30% of the underwritten policies issued to Uber. Under this amended agreement, a few and relatively small segment of the policies written within a defined period were ceded 100% to Uber. Ceding commission under this Uber business ceded to Aleka ranged from 6.75% to 13.76%, except Hawaii with a rate up to 21.46%.

Based on the results for the current and prior years, FIE's share of the following were (in millions):

	2022	2021
Ceded Premiums Earned	\$ 168.8	\$ 51.5
Recoveries	134.2	61.0
Ceding Commissions	18.9	7.3

Commercial Automobile Quota Share Reinsurance Agreement

Effective April 2, 2021, the 21st Century Premier Insurance Company (“21st Century Premier”), a downstream insurance subsidiary of FIE, extended the Commercial Automobile Quota Share reinsurance agreement with certain reinsurers, in place since October 15, 2019. This agreement provided for 21st Century Premier to cede to Hannover Rück SE and Farmers Reinsurance Company, 65.0% and 15.0%, respectively, of the quota share of the premiums written and the ultimate net losses sustained in all of the commercial automobile liability business written by 21st Century Premier for the cannabis-related industry, before the All Lines quota share agreement has been applied. The remaining 20% of this commercial automobile liability business written by 21st Century Premier is retained by FIE and excluded from the All lines quota share agreement. This agreement, which can be terminated upon prompt notice by the company to the reinsurer, also provides for 21st Century Premier to receive a provisional ceding commission of 38.0%, with additional experience commissions potentially receivable/payable depending on loss experience.

After applying Farmers intercompany reinsurance participation, based on the results for current year and prior year, FIE's share of the following were:

	2022	2021
Ceded Premiums Earned	2,345,087	3,115,568
Recoveries	1,263,745	1,655,426
Ceding Commissions	705,306	1,094,208

Odyssey Homeowners and Specialty Line Quota Share Reinsurance Agreement

Effective December 31, 2022, Farmers renewed the Odyssey quota share agreement under the same terms with Odyssey Reinsurance Company (“Odyssey Re”), a third party reinsurer based in Stamford, Connecticut. This agreement, in place since December 31, 2021, provides for Farmers to cede 5.0% of homeowners business written or assumed by Farmers through the Farmers Brand Personal Lines and Farmers Workplace Solutions business units and 5.0% of the Foremost Specialty business, to Odyssey Re. The agreement includes a ceding commission and an aggregate limitation on catastrophe losses.

After applying Farmers intercompany reinsurance participation, based on the results for current year and prior year, FIE's share of the following were (in millions):

	2022	2021
Ceded Premiums Earned	\$ 256.8	\$ -
Recoveries	185.1	-
Ceding Commissions	85.3	38.4

FIE's 2021 share of ceded premiums written was \$143.9 million.

Catastrophe Bond

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On December 21, 2021, Farmers announced that it and its subsidiaries and affiliates comprising the Farmers Insurance Group® (“Farmers”), have successfully closed a \$160 million 144A catastrophe bond completed through Topanga Re Ltd. (“Topanga Re”). Farmers entered into a multi-year reinsurance arrangement with Topanga Re, a newly established special purpose insurer in Bermuda which provides Farmers with indemnity-based coverage. The catastrophe bond was designed to integrate into Farmers’ existing traditional catastrophe reinsurance program by providing additional protection against damages from U.S. named storms, earthquakes, severe weather and fire.

Litigation

Certain of Farmers companies are defendants in certain lawsuits arising in the normal course of business, which are in various stages of development. Some of these matters seek punitive as well as compensatory damages. While it is not possible to predict the outcome of these matters with certainty, management believes that their ultimate disposition will not have a material effect on the Company’s financial position or results of operations. In addition, certain of the Farmers companies are, from time to time, involved as parties in various governmental and administrative proceedings.

Farmers Agency Force Deferred Compensation Plan

FIE and certain of the Farmers’ companies have established tax-deferred savings plan for their agents and district managers which allowed eligible participants to defer up to 50% of their auto commissions into a deferred compensation program. The program was expanded in recent years to include other agent related initiatives such as agents profitability growth plan (“PGB”) as well as to other books of business such as homeowners, small business insurance, Bristol West auto, Foremost specialty, among others, all at varying deferral rates. To be eligible to participate in the plan, a full-time agent must have completed six months of service and qualifying participants are vested 100% on their accrued benefit at all times. This Plan is not subject to ERISA and is not intended to be a qualified plan.

The program is administered by TBG Financial, a third party administrator, and the maximum qualifying deferred amount allowed in any plan year per each participating Sponsor is \$5.0 million. Fund balances are monitored monthly and investment earnings in the deferred compensation liability account are credited (or debited) to the account balances. At December 31, 2022, the investment earning was \$10.1 million. At December 31, 2021, the investment loss was \$10.2 million.

Business Owned Life Insurance

In conjunction with the Farmers Agency Force Deferred Compensation Plan, FIE and certain of Farmers’ companies purchased a Variable Group Life insurance policy for certain employees, with FIE named as beneficiary. The policy provides a life insurance benefit of \$50,000 at no cost to those qualifying officers and employees who voluntarily chose to become insured. There are no cash surrender values for the participating employees. The cash surrender value of the policy was reported as an asset on the balance sheet of FIE. At December 31, 2022, the investment loss and insurance expenses were \$9.2 million and \$0.6 million, respectively. At December 31, 2021, the investment earnings and insurance expenses were \$9.2 million and \$0.6 million, respectively.

There are no policyholders' funds allocated to the premiums of this group insurance policy.

Insurance-Company Owned Life Insurance

FIE has purchased a Flexible Premium Group Variable Life Insurance policy for certain employees, with FIE named as beneficiary. The program is administered by Metropolitan Life Insurance Company, a third party administrator, and also provides a pre-retirement life insurance benefit of \$25,000 at no cost to those qualifying officers and employees, who voluntarily chose to become insured. There are no cash surrender values for the participating employees. The cash surrender value of the policy was reported as an asset on the balance sheet of FIE. At December 31, 2022, the investment loss and insurance expenses were \$49.9 million and \$2.4 million, respectively. At December 31, 2021, the investment earnings and insurance expenses were \$18.3 million and \$2.5 million, respectively.

There are no policyholders' funds allocated to the premiums of this group insurance policy.

Affiliates Repurchase of Surplus Notes

Civic, Exact and Neighborhood Spirit Property and Casualty Companies, wholly owned subsidiaries of Truck and Fire, collectively acquired a small portion of FIE Surplus Notes 1 and 3 with a face value of \$21.3 million for \$14.6 million as an investment, of which \$15.6 million was subsequently repurchased by FIE. The remaining amortized cost carrying value of these notes of \$5.1 million is recognized on the respective affiliated financial statements.

Agents Subsidy Program

FIE provides a variety of incentive programs to the agency force, especially new agents, including loans, to support the initial stages of their operations, some of which are subsequently recouped back based on future business production over a specified period of time. FIE accounts for the subsidy recoverable as a non-admitted prepaid expense with an offset to surplus.

Sale of 21st Century Pacific Insurance Company

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On January 3, 2022, Mid-Century Insurance Company, a subsidiary of the Exchanges, sold 100% of its ownership interest in 21st Century Pacific Insurance Company to Everspan Insurance Company, an Arizona domiciled company, with an effective date of January 1, 2022, for \$11.5M. The sale was approved by the Colorado Department of Insurance.

Sale of 21st Century Auto Insurance Company New Jersey

On January 3, 2022, 21st Century Centennial Insurance Company, a wholly owned subsidiary of Mid-Century Insurance Company, sold 100% of its ownership interest in 21st Century Auto Insurance Company New Jersey to Everspan Insurance Company, an Arizona domiciled company, with an effective date of January 1, 2022, for \$6.8M. The sale was approved by the New Jersey Department of Insurance.

Sale of 21st Century Indemnity Insurance Company

On January 3, 2022, 21st Century Premier Insurance Company, a wholly owned subsidiary of 21st Century Centennial Insurance Company, sold 100% of its ownership interest in 21st Century Indemnity Insurance Company to Everspan Insurance Company, an Arizona domiciled company, with an effective date of January 1, 2022, for approximately \$11.6M. The sale was approved by the Pennsylvania Department of Insurance.

Additional Schedule P Data

The following summary, as reported in columns 13 through 24 in FIE’s 2022 Schedule P- Part I, presents net unpaid losses, defense and cost containment expense (“DCC”) and adjusting and other expense (“AO”) reserves for accident years 2012, 2011, 2010, 2009, 2008, 2007 and prior for each line of business reported (in thousands):

Schedule P Part 1 - Summary						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 50,510	\$ 146,239	\$ 38	\$ 151,252	\$ 34,372	\$ 382,411
2008	\$ 3,929	\$ 26,988	\$ 21	\$ 3,104	\$ 4,292	38,334
2009	\$ 6,774	\$ 12,478	\$ 39	\$ 1,831	\$ 1,849	22,970
2010	\$ 5,662	\$ 12,939	\$ 62	\$ 2,547	\$ 1,926	23,136
2011	\$ 9,319	\$ 15,575	\$ 110	\$ 4,084	\$ 2,557	31,645
2012	\$ 5,353	\$ 14,653	\$ 48	\$ 3,604	\$ 2,577	26,236
Total	<u>\$ 81,548</u>	<u>\$ 228,873</u>	<u>\$ 317</u>	<u>\$ 166,422</u>	<u>\$ 47,572</u>	<u>\$ 524,731</u>

Schedule P Part 1A - Homeowners/Farmowners						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 1,776	\$ 1	\$ 0	\$ (137)	\$ 0	\$ 1,640
2008	88	1		0	0	89
2009	1,306	1	0	2	80	1,389
2010	67	23		18	8	117
2011	440	190	1	33	50	714
2012	258	282	(0)	49	85	673
Total	<u>\$ 3,935</u>	<u>\$ 497</u>	<u>\$ 1</u>	<u>\$ (35)</u>	<u>\$ 223</u>	<u>\$ 4,621</u>

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Schedule P Part 1B - Private Passenger Auto Liability/Medical						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ (11,087)	\$ (19)	\$ 1	\$ 0	\$ 2	\$ (11,104)
2008	253	17,982		1,484	1,862	21,581
2009	306	669		73	202	1,250
2010	573	805	0	87	296	1,761
2011	702	1,351	0	243	552	2,848
2012	1,109	1,412	0	350	392	3,263
Total	<u>\$ (8,144)</u>	<u>\$ 22,200</u>	<u>\$ 1</u>	<u>\$ 2,236</u>	<u>\$ 3,306</u>	<u>\$ 19,600</u>

Schedule P Part 1C - Commercial Auto/Truck Liability/Medical						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 396	\$ 1	\$ (0)	\$ (21)	\$ 10	\$ 386
2008	0	16	0	19	10	46
2009	(119)	1	(12)	9	1	(120)
2010	(1)	(0)	(0)	8	4	11
2011	140	(0)	14	12	6	171
2012	29	30	0	20	7	86
Total	<u>\$ 444</u>	<u>\$ 49</u>	<u>\$ 2</u>	<u>\$ 47</u>	<u>\$ 38</u>	<u>\$ 580</u>

Schedule P Part 1D - Workers' Compensation						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 24,338	\$ 60,075	\$ 38	\$ 3,170	\$ 9,342	\$ 96,962
2008	3,545	8,043	19	680	1,123	13,411
2009	5,058	11,194	44	1,131	1,480	18,906
2010	4,305	11,577	50	1,760	1,506	19,198
2011	7,894	13,324	80	2,889	1,810	25,997
2012	3,169	11,938	45	2,140	1,866	19,158
Total	<u>\$ 48,308</u>	<u>\$ 116,152</u>	<u>\$ 276</u>	<u>\$ 11,770</u>	<u>\$ 17,127</u>	<u>\$ 193,632</u>

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Schedule P Part 1E - Commercial Multiple Peril						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 1,471	\$ 2,523	\$ 0	\$ 2,858	\$ 219	\$ 7,070
2008	40	940	1	890	94	1,966
2009	168	614	7	572	71	1,432
2010	353	436	12	635	54	1,489
2011	67	683	14	805	73	1,642
2012	<u>624</u>	<u>929</u>	<u>20</u>	<u>968</u>	<u>133</u>	<u>2,673</u>
Total	<u>\$ 2,723</u>	<u>\$ 6,123</u>	<u>\$ 54</u>	<u>\$ 6,727</u>	<u>\$ 645</u>	<u>\$ 16,271</u>

Schedule P Part 1F - Section 1 - Medical Malpractice - Occurrence						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 237	\$ 665	\$ 0	\$ 275	\$ 40	\$ 1,217
2008					(0)	(0)
2009					(0)	(0)
2010						
2011						
2012	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 237</u>	<u>\$ 665</u>	<u>\$ 0</u>	<u>\$ 275</u>	<u>\$ 40</u>	<u>\$ 1,217</u>

Schedule P Part 1F - Section 2 - Medical Malpractice - Claims Made						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 257	\$ 958	\$ 0	\$ 409	\$ 22	\$ 1,646
2008						
2009					(0)	(0)
2010						
2011						
2012	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 257</u>	<u>\$ 958</u>	<u>\$ 0</u>	<u>\$ 409</u>	<u>\$ 22</u>	<u>\$ 1,646</u>

NOTES TO FINANCIAL STATEMENTS

Schedule P Part G - Special Liability						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 6,672	\$ (0)	\$ 0	\$ 0	\$ 0	\$ 6,672
2008		(0)		0	0	0
2009		(0)		0	0	0
2010		0		0	0	0
2011	(0)	(0)		0	0	0
2012	(0)	(0)	(0)	0	0	0
Total	<u>\$ 6,672</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 6,673</u>

Schedule P Part 1H - Section 1 - Other Liability - Occurrence						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 18,385	\$ 82,000	\$ 0	\$ 144,688	\$ 24,732	\$ 269,806
2008	1	(4)	0	14	0	12
2009	24	36	0	(4)	10	65
2010	366	120	0	(38)	9	458
2011	73	93	0	(43)	12	136
2012	165	(61)	(18)	(33)	13	67
Total	<u>\$ 19,015</u>	<u>\$ 82,184</u>	<u>\$ (17)</u>	<u>\$ 144,584</u>	<u>\$ 24,777</u>	<u>\$ 270,543</u>

Schedule P Part 1H - Section 2 - Other Liability - Claims-Made						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 0	\$ 15	\$ 0	\$ 11	\$ 2	\$ 28
2008		1		4	0	5
2009		(48)		23	0	(25)
2010		(27)		62	(1)	34
2011		(61)		111	(0)	50
2012		109		89	24	222
Total	<u>\$ 0</u>	<u>\$ (11)</u>	<u>\$ 0</u>	<u>\$ 300</u>	<u>\$ 24</u>	<u>\$ 313</u>

NOTES TO FINANCIAL STATEMENTS

Schedule P Part II - Special Property						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 8,059	\$ 2	\$ 0	\$ 1	\$ 2	\$ 8,064
2008	1	0		1	0	3
2009	(0)	0	(0)	0	0	0
2010	(1)	0	0	(1)	0	(2)
2011	0	(2)	(0)	1	0	(1)
2012	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total	<u>\$ 8,059</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ 4</u>	<u>\$ 2</u>	<u>\$ 8,065</u>

Schedule P - Part 1J - Auto Physical Damage						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 7	\$ 17	\$ 0	\$ (3)	\$ 0	\$ 21
2008	0	10		9	1,202	1,221
2009	32	11	0	23	6	71
2010	(0)	4	(0)	15	49	68
2011	3	(2)	0	31	54	86
2012	<u>(0)</u>	<u>14</u>	<u>(0)</u>	<u>19</u>	<u>57</u>	<u>90</u>
Total	<u>\$ 41</u>	<u>\$ 54</u>	<u>\$ 0</u>	<u>\$ 94</u>	<u>\$ 1,368</u>	<u>\$ 1,557</u>

Schedule P - Part 1K - Section 1 - Fidelity/Surety						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 0	\$ 0	\$ 0	\$ 1	\$ 0	\$ 1
2008		0		1	0	1
2009	(0)	0	0	1	0	1
2010		0		1	0	1
2011		0	(0)	2	0	2
2012	<u></u>	<u>1</u>	<u></u>	<u>1</u>	<u>0</u>	<u>2</u>
Total	<u>\$ (0)</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 7</u>	<u>\$ 0</u>	<u>\$ 8</u>

NOTES TO FINANCIAL STATEMENTS

Schedule P - Part 1R - Section 1 - Products Liability - Occurrence						
Accident Year	Net Losses Unpaid		Net DCC Unpaid		AO Unpaid	Total Net Losses, DCC & AO Unpaid
	Case	Bulk & IBNR	Case	Bulk & IBNR		
2007 & prior	\$ 0	\$ 0	\$ 0	\$ 1	\$ 0	\$ 1
2008		0		0	0	0
2009		0		0	0	0
2010		0		0	0	1
2011		0		1	0	1
2012		0		1	0	<u>1</u>
Total	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 3</u>	<u>\$ 0</u>	<u>\$ 4</u>

NOTES TO FINANCIAL STATEMENTS

D. Business Interruption Insurance Recoveries

None.

E. State Transferable and Non-Transferable Tax Credits

None.

F. Subprime Mortgage Related Risk Exposure

- (1) Generally, direct and indirect subprime exposures were identified based upon consideration of the following types of features: 1) Interest rate above prime to borrowers that did not qualify for prime rate loans. 2) Borrowers with low credit ratings (FICO scores).
- (2) FIE does not have direct exposure through investments in subprime mortgage loans.
- (3) FIE has the following direct exposure through other investments as of December 31, 2022:

	Actual Cost	Book Adjusted Carrying Value	Fair Value	Other-than- temporary impairment
a. Residential mortgage backed securities	\$ 3,402	\$ 3,404	\$ 3,357	\$
b. Commercial mortgage backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investments in SCAs				
f. Other assets				
g. Total	\$ 3,402	\$ 3,404	\$ 3,357	\$

- (4) FIE does not have underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

G. Insurance-Linked Securities (ILS) Contracts

Not applicable.

H. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and or Has Otherwise Obtained Rights to Control the Policy

FIE is the owner and beneficiary of life insurance policies included in the Aggregate write-ins for other than invested assets line at their cash surrender values pursuant to SSAP No. 21, paragraph 6. At December 31, 2022, the cash surrender value in an investment vehicle is \$473,883,723 and is allocated into the following categories based on primary underlying investment characteristics: 57.31% bonds and 42.69% cash and short-investments (See Note 21C Insurance-Company Owned Life Insurance).

(1) Amount of admitted balance that could be realized from an investment vehicle	\$ 473,883,723
(2) Percentage Bonds	57.31%
(3) Percentage Stocks	0.00%
(4) Percentage Mortgage Loans	0.00%
(5) Percentage Real Estate	0.00%
(6) percentage Cash and Short-Term Investments	42.69%
(7) Percentage Derivatives	0.00%
(8) Percentage Other Invested Assets	0.00%
Total	<u>100.00%</u>

22. EVENTS SUBSEQUENT

Subsequent events have been considered through February 18, 2023 for these statutory financial statements, which were issued on February 18, 2023.

21st Century Advantage Insurance Company Dividend

NOTES TO FINANCIAL STATEMENTS

On January 12, 2023, the Minnesota Department of Commerce approved an extraordinary dividend of \$10.2 million from the 21st Century Advantage Insurance Company to its parent, 21st Century North America Insurance Company. The dividend was paid on January 31, 2023.

Coronavirus Pandemic (“COVID-19) and Farmers Business Resumption Plan

In mid-December 2022 the California Department of Insurance requested that Coast National Insurance Company, Farmers Insurance Exchange, Truck Insurance Exchange, and Mid-Century Insurance Company refund additional premium to private passenger auto policyholders due to changes in driving behaviors during the pandemic. The companies disputed the Department’s authority to request refunds and the amount of the refunds. Coast National Insurance Company negotiated with the Department and agreed to refund an additional \$2,959,715 on January 27, 2023. At no time until just before this agreement was reached was the refund probable or estimable. The other companies continue to discuss the request with the California Department of Insurance.

NOTES TO FINANCIAL STATEMENTS

23. REINSURANCE

A. Unsecured Reinsurance Recoverables

FIE had unsecured aggregate recoverables for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with the following reinsurers, authorized or unauthorized, that exceeded 3% of FIE's policyholder surplus at December 31, 2022 (in thousands):

Individual Reinsurers Who Are Not Members of a Group

FEIN	Reinsurer Name	Unsecured Amount
AA-1460018	CATLIN RE SWITZERLAND LTD	407,325
AA-1340125	HANNOVER RUECK SE	2,167,851
AA-9991159	MICHIGAN CATASTROPHIC CLAIMS ASSN	559,207
AA-1460146	SWISS REINS CO	2,094,217

Individual Reinsurers Who Are Members of a Group

Group Code	FEIN	Reinsurer Name	Unsecured Amount
0212	95-4650862	FARMERS REINS CO	1,169,185
0069	95-2575892	TRUCK INS EXCH	5,196,193
0069	95-6235715	FIRE INS EXCH	5,094,539
0069	95-6016640	MID CENTURY INS CO	3,043,071
0069	36-4165395	FARMERS NEW CENTURY INS CO	142,356
0069	94-1663548	TEXAS FARMERS INS CO	194,081
0069	36-2661515	ILLINOIS FARMERS INS CO	144,929
0069	48-0609012	FARMERS INS CO INC	145,053
0069	95-2626385	FARMERS INS CO OF ID	142,360
0069	95-2655893	FARMERS INS CO OF OR	1,346,701
0069	95-2655894	FARMERS INS CO OF WA	379,723
0069	31-0956373	FARMERS INS OF COLUMBUS INC	189,813
0069	95-4528269	CIVIC PROP & CAS CO	189,813
0069	95-4528266	EXACT PROP & CAS CO INC	189,813
0069	95-4528264	NEIGHBORHOOD SPIRIT PROP & CAS CO	189,813
0000	46-5173660	ALEKA INS INC	348,085
0361	13-4924125	MUNICH REINS AMER INC	1,462,844
0158	47-0698507	ODYSSEY REINS CO	498,428
0501	13-5616275	TRANSATLANTIC REINS CO	207,627

NOTES TO FINANCIAL STATEMENTS

All Members of the Groups Shown above with Unsecured Reinsurance Recoverables

Group Code	FEIN	Reinsurer Name	Unsecured Amount
0212	95-4650862	FARMERS REINS CO	1,169,185
Total 0212			1,169,185
0069	95-2575892	TRUCK INS EXCH	5,196,193
0069	95-6235715	FIRE INS EXCH	5,094,539
0069	95-6016640	MID CENTURY INS CO	3,043,071
0069	36-4165395	FARMERS NEW CENTURY INS CO	142,356
0069	94-1663548	TEXAS FARMERS INS CO	194,081
0069	36-2661515	ILLINOIS FARMERS INS CO	144,929
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0069	95-2655893	FARMERS INS CO OF OR	1,346,701
0069	95-2655894	FARMERS INS CO OF WA	379,723
0069	31-0956373	FARMERS INS OF COLUMBUS INC	189,813
0069	95-4528269	CIVIC PROP & CAS CO	189,813
0069	95-4528266	EXACT PROP & CAS CO INC	189,813
0069	95-4528264	NEIGHBORHOOD SPIRIT PROP & CAS CO	189,813
Total 0069			16,588,258
0000	46-5173660	ALEKA INS INC	348,085
Total 0000			348,085
0361	13-4924125	MUNICH REINS AMER INC	1,462,844
Total 0361			1,462,844
0158	47-0698507	ODYSSEY REINS CO	498,428
Total 0158			498,428
0501	13-5616275	TRANSATLANTIC REINS CO	207,627
Total 0501			207,627

B. Reinsurance Recoverable in Dispute

There is no reinsurance recoverable in dispute from any one company that exceeds 5% of policyholders' surplus, or from all companies in the aggregate that exceeds 10% of policyholders' surplus.

NOTES TO FINANCIAL STATEMENTS

C. Reinsurance Assumed and Ceded

- (1) The maximum amount of return commission which would have been due reinsurers if they, or FIE, or a receiver, had canceled all insurance assumed as of the end of the periods covered by this annual statement with the return of the unearned premiums is as follows:

2022	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 11,505,502,122	\$ 3,574,759,509	\$ 7,145,626,687	\$ 2,166,196,730	\$ 4,359,875,434	\$ 1,408,562,779
All other	<u>227,357</u>	<u>70,640</u>	<u>2,864,232,750</u>	<u>868,292,158</u>	<u>(2,864,005,393)</u>	<u>(868,221,518)</u>
Total	<u>\$ 11,505,729,479</u>	<u>\$ 3,574,830,149</u>	<u>\$ 10,009,859,438</u>	<u>\$ 3,034,488,889</u>	<u>\$ 1,495,870,041</u>	<u>\$ 540,341,260</u>
Direct unearned premium reserve			<u>\$ 2,325,045,200</u>			
2021	Assumed Reinsurance		Ceded Reinsurance		Net	
	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity	Premium Reserve	Commission Equity
Affiliates	\$ 10,698,243,449	\$ 3,164,112,483	\$ 5,889,456,684	\$ 1,754,704,724	\$ 4,808,786,766	\$ 1,409,407,758
All other	<u>227,357</u>	<u>67,243</u>	<u>3,370,984,833</u>	<u>1,004,351,221</u>	<u>(3,370,757,476)</u>	<u>(1,004,283,978)</u>
Total	<u>\$ 10,698,470,806</u>	<u>\$ 3,164,179,726</u>	<u>\$ 9,260,441,517</u>	<u>\$ 2,759,055,946</u>	<u>\$ 1,438,029,289</u>	<u>\$ 405,123,780</u>
Direct unearned premium reserve			<u>\$ 2,150,294,158</u>			

- (2) FIE had no additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements as a result of existing contractual arrangements.
- (3) FIE does not have protected cells.

D. Uncollectible Reinsurance

None.

E. Commutation of Ceded Reinsurance

None.

F. Retroactive Reinsurance

None.

G. Reinsurance Accounted for as a Deposit

None.

H. Disclosures for the Transfer of Property and Casualty Run-off Agreements

None.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None.

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

Not applicable.

K. Reinsurance Credit

Not applicable.

NOTES TO FINANCIAL STATEMENTS

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

- A. Mid Century Insurance Company ("Mid Century"), one of the Farmers companies, has one workers' compensation policy with Farmers Group Inc. ("FGI"), which is subject to retrospective rating features. Mid Century estimates the accrued retrospective premium adjustment through the review of the individual retrospectively rated risk and by comparing case basis loss development with that anticipated in the policy contract to arrive at the best estimate of return or additional retrospective premium. The total accrued retrospective premiums receivable was recorded at \$0.7 million and \$1.0 million for the years ended December 31, 2022 and 2021, respectively. FIE's share of the accrued retrospective premiums receivable totaled \$0.4 million and \$0.5 million for the years ended December 31, 2022 and 2021, respectively. This policy was cancelled effective January 1, 2011 and is in run-off.
- B. FIE records accrued retrospective premium as an adjustment to written premium.
- C. The amount of net premiums written subject to retrospective rating features for the years ended December 31, 2022 and 2021 for Mid Century was (\$.7) million and (\$0.7) million, respectively. As of December 31, 2022, FIE's share of the premiums written subject to retrospective rating features was (\$0.3) million, which was (0.2 %) of the Farmers' companies' total net workers' compensation premiums written of \$196.0 million. As of December 31, 2021, FIE's share of the premiums written subject to retrospective rating features was (\$0.4) million, which was (0.2%) of the Farmers' companies' total net workers' compensation premiums written of \$166.4 million.
- D. FIE had no medical loss ratio rebates at both December 31, 2022 and 2021.
- E. FIE had no non-admitted retrospective premiums at both December 31, 2022 and 2021.
- F. Not applicable

25. CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

- A. Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have decreased by \$226.5 million as of December 31, 2022, as a result of re-estimation of unpaid losses and loss adjustment expenses principally on the private passenger auto, homeowners and commercial multiple peril lines of insurance. This was partially offset primarily by an increase in auto physical damage and other liability - occurrence. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased and decreased as additional information becomes known regarding individual claims.
- B. Farmers made no significant changes in methodology or assumptions used in calculating liabilities for unpaid losses and loss adjustment expenses in 2022.

26. INTERCOMPANY POOLING ARRANGEMENTS

Certain members of Farmers participate in an intercompany reinsurance program (the "Intercompany Program"), with FIE as the lead company, pursuant to which each participant assumes a proportionate share of the Farmers Companies' results from FIE based on their respective participation percentages (see table below). FIE is also a participant in various other reinsurance contracts with affiliates, which occur prior to the Intercompany Program.

First, FIE under 100% quota share reinsurance agreements assumes the business written, net of non-affiliated reinsurance, by all of the Farmers companies, excluding Farmers Re. Next, FIE cedes 31% of all lines of business to Farmers Re and seven other reinsurers under the All Lines agreement. Finally, FIE retrocedes the remaining business of the Farmers companies to the insurers participating in the Intercompany Program according to their respective participation percentages.

The reinsurance participants and their respective pooling participation percentages are as follows:

NOTES TO FINANCIAL STATEMENTS

Participant	NAIC Company Code	State of Domicile	Participation Percentage	
			2022	2021
Farmers Insurance Exchange	21652	California	51.75%	51.75%
Fire Insurance Exchange	21660	California	7.50%	7.50%
Mid-Century Insurance Company	21687	California	16.00%	16.00%
Truck Insurance Exchange	21709	California	7.75%	7.75%
Farmers New Century Insurance Company	10806	Illinois	0.75%	0.75%
Texas Farmers Insurance Company	21695	Texas	1.00%	1.00%
Illinois Farmers Insurance Company	21679	Illinois	0.75%	0.75%
Farmers Insurance Company, Inc.	21628	Kansas	0.75%	0.75%
Farmers Insurance Company of Idaho	21601	Idaho	0.75%	0.75%
Farmers Insurance Company of Oregon	21636	Oregon	7.00%	7.00%
Farmers Insurance Company of Washington	21644	Washington	2.00%	2.00%
Farmers Insurance of Columbus, Inc.	36889	Ohio	1.00%	1.00%
Civic Property and Casualty Company	10315	California	1.00%	1.00%
Exact Property and Casualty Company	10318	California	1.00%	1.00%
Neighborhood Spirit Property and Casualty Company	10317	California	1.00%	1.00%

The following companies either cede their business directly or indirectly to FIE and are not participants in the Intercompany Program:

NOTES TO FINANCIAL STATEMENTS

Company Name	NAIC Company Code	State of Domicile
21St Century Advantage Insurance Company	25232	Minnesota
21St Century Casualty Company	36404	California
21St Century Centennial Insurance Company	34789	Pennsylvania
21St Century Insurance Company	12963	California
21st Century North America Insurance Company	32220	New York
21St Century Pinnacle Insurance Company	10710	New Jersey
21St Century Premier Insurance Company	20796	Pennsylvania
American Federation Insurance Company	10245	Texas
American Pacific Insurance Company, Inc.	10805	Hawaii
Bristol West Casualty Insurance Company	11034	Ohio
Bristol West Insurance Company	19658	Ohio
Bristol West Preferred Insurance Company	12774	Michigan
Coast National Insurance Company	25089	California
Farmers Insurance Company Of Arizona	21598	Arizona
Farmers Insurance Hawaii, Inc.	28487	Hawaii
Farmers Specialty Insurance Company	43699	Michigan
Farmers Texas County Mutual Insurance Company	24392	Texas
Foremost County Mutual Insurance Company	29254	Texas
Foremost Insurance Company, Grand Rapids	11185	Michigan
Foremost Lloyds Of Texas	41688	Texas
Foremost Property And Casualty Insurance Company	11800	Michigan
Foremost Signature Insurance Company	41513	Michigan
Mid-Century Insurance Company Of Texas	28673	Texas
Security National Insurance Company	33120	Florida
Toggle Insurance Company	44245	Delaware
Farmers Property And Casualty Insurance Company	26298	Rhode Island
Farmers Group Property And Casualty Insurance Company	34339	Rhode Island
Farmers Casualty Insurance Company	40169	Rhode Island
Farmers Direct Property And Casualty Insurance Company	25321	Rhode Island
Farmers Lloyds Insurance Company of Texas	13938	Texas
Economy Fire And Casualty Company	22926	Illinois
Economy Preferred Insurance Company	38067	Illinois
Economy Premier Assurance Company	40649	Illinois

FIE reported \$565.1 million and \$130.2 million due from affiliates at December 31, 2022 and 2021, respectively, resulting from its participation in the intercompany reinsurance pooling agreement.

27. STRUCTURED SETTLEMENTS**A. Reserves Released Due to Purchase of Annuities**

FIE has purchased annuities from life insurers under which the claimants are payees (see note 14G). These annuities have been used to reduce the unpaid losses of \$ 16,817,777 as of December 31, 2022. FIE has a contingent liability of \$ 16,817,777 should the issuers of these annuities fail to perform under the terms of the annuities.

Loss Reserves Eliminated by Annuities
\$ 16,817,777

Unrecorded Loss Contingencies
\$ 16,817,777

NOTES TO FINANCIAL STATEMENTS

B. Annuity Insurers with Balances due Greater than 1% of Policyholders’ Surplus

Life Insurance Company and Location
None

Licensed in Company's State of Domicile	Statement Value (i.e. Present Value) of Annuities
None	\$0

28. HEALTH CARE RECEIVABLES

Not applicable.

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

FIE utilizes anticipated investment income in the calculation of premium deficiency reserves, in accordance with SSAP No. 53, Property-Casualty Contracts - Premiums. FIE evaluates the need for a premium deficiency reserve on a line of business level for all books. FIE evaluated the need to record a premium deficiency reserve as of the end of the current year and determined that no additional reserve was required. This evaluation was completed on February 10, 2023. As of December 31, 2022 and 2021, FIE had not established any premium deficiency reserves based on this calculation.

	2022	2021
1. Liability carried for premium deficiency reserves	\$ <u>0</u>	\$ <u>0</u>
2. Date of the most recent evaluation of this liability	2/10/2023	2/16/2022
3. Was anticipated investment income utilized in the calculation?	Yes (X)	No ()

31. HIGH DEDUCTIBLES

Not applicable.

32. DISCOUNTING OF LIABILITIES FOR UNPAID LOSSES OR UNPAID LOSS ADJUSTMENT EXPENSES

Liabilities for unpaid losses and loss adjustment expenses are not discounted.

NOTES TO FINANCIAL STATEMENTS

33. ASBESTOS/ENVIRONMENTAL RESERVES

- A. Does FIE have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to asbestos losses? Yes (X) No ()

FIE has exposure to environmental, asbestos, and other toxic claims that losses arises from the sale of general liability insurance. FIE estimates the full impact of the asbestos exposures by establishing full case reserves on all known losses and computing incurred but not reported (“IBNR”) losses based on previous experience.

FIE’s asbestos-related losses (including coverage dispute costs) for each of the five most recent years were as follows:

(1) Direct:

	2018	2019	2020	2021	2022
a. Beginning reserves:	\$ 278,292,421	\$ 276,521,617	\$ 270,186,193	\$ 246,613,258	\$ 254,345,791
b. Incurred losses and loss adjustment expenses:	\$ 29,993,441	\$ 11,798,654	\$ 1,423,986	\$ 30,273,259	\$ 20,865,691
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 31,764,244</u>	<u>\$ 18,134,078</u>	<u>\$ 24,996,922</u>	<u>\$ 22,540,726</u>	<u>\$ 49,235,520</u>
d. Ending reserves:	<u>\$ 276,521,617</u>	<u>\$ 270,186,193</u>	<u>\$ 246,613,258</u>	<u>\$ 254,345,791</u>	<u>\$ 225,975,962</u>

Amounts represent FIE's pooled share of the total Farmers P&C Companies' exposure as per the terms of the intercompany reinsurance program.

(2) Assumed Reinsurance:

FIE has no asbestos-related exposure resulting from the assumption of unaffiliated reinsurance.

(3) Net of Ceded Reinsurance:

	2018	2019	2020	2021	2022
a. Beginning reserves:	\$ 274,895,510	\$ 273,981,437	\$ 269,057,662	\$ 245,653,931	\$ 254,027,372
b. Incurred losses and loss adjustment expenses:	\$ 21,126,611	\$ 20,672,637	\$ (677,704)	\$ 29,652,810	\$ 19,818,465
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 22,040,684</u>	<u>\$ 25,596,412</u>	<u>\$ 22,726,027</u>	<u>\$ 21,279,369</u>	<u>\$ 47,929,626</u>
d. Ending reserves:	<u>\$ 273,981,437</u>	<u>\$ 269,057,662</u>	<u>\$ 245,653,931</u>	<u>\$ 254,027,372</u>	<u>\$ 225,916,211</u>

- B. FIE recorded the following amounts for IBNR and/or bulk reserves related to asbestos claims at December 31,:

	2022	2021
(1) Direct:	\$ 208,581,703	\$ 238,511,901
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 208,521,953	\$ 238,251,345

- C. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to asbestos claims at December 31, 22:

NOTES TO FINANCIAL STATEMENTS

	2022	2021
(1) Direct:	\$ 135,182,563	\$ 143,651,279
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 135,182,563	\$ 143,682,206

- D. Does FIE have on the books, or has it ever written an insured for which you have identified a potential for the existence of, a liability due to environmental losses? Yes (X) No ()

FIE's environmental-related losses (including coverage dispute costs) for each of the five most recent years were as follows:

(1) Direct:

	2018	2019	2020	2021	2022
a. Beginning reserves:	\$ 53,588,932	\$ 45,487,583	\$ 37,155,894	\$ 36,296,179	\$ 30,945,042
b. Incurred losses and loss adjustment expenses:	\$ (5,343,327)	\$ (6,212,499)	\$ 3,940,446	\$ (2,258,015)	\$ 2,344,545
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 2,758,022</u>	<u>\$ 2,119,189</u>	<u>\$ 4,800,161</u>	<u>\$ 3,093,122</u>	<u>\$ 5,134,379</u>
d. Ending reserves:	<u>\$ 45,487,583</u>	<u>\$ 37,155,894</u>	<u>\$ 36,296,179</u>	<u>\$ 30,945,042</u>	<u>\$ 28,155,208</u>

Amounts represent FIE's pooled share of the total Farmers P&C Companies' exposure as per the terms of the intercompany reinsurance program.

(2) Assumed Reinsurance:

FIE has no environmental-related exposure resulting from the assumption of unaffiliated reinsurance.

(3) Net of Ceded Reinsurance:

	2018	2019	2020	2021	2022
a. Beginning reserves:	\$ 53,302,695	\$ 45,349,608	\$ 37,016,333	\$ 36,138,715	\$ 30,809,062
b. Incurred losses and loss adjustment expenses:	\$ (5,669,254)	\$ (6,211,230)	\$ 2,690,624	\$ (3,900,727)	\$ 2,344,495
c. Calendar year payments for losses and loss adjustment expenses:	<u>\$ 2,283,833</u>	<u>\$ 2,122,046</u>	<u>\$ 3,568,242</u>	<u>\$ 1,428,926</u>	<u>\$ 5,022,123</u>
d. Ending reserves:	<u>\$ 45,349,608</u>	<u>\$ 37,016,333</u>	<u>\$ 36,138,715</u>	<u>\$ 30,809,062</u>	<u>\$ 28,131,434</u>

- E. FIE recorded the following amounts for IBNR and/or bulk reserves related to environmental claims at December 31, 2022:

NOTES TO FINANCIAL STATEMENTS

	2022	2021
(1) Direct:	\$ 23,676,285	\$ 24,617,437
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 23,652,511	\$ 24,617,437

F. FIE recorded the following amounts for loss adjustment expenses for case, IBNR and/or bulk reserves related to environmental claims at December 31, 2022:

	2022	2021
(1) Direct:	\$ 11,737,667	\$ 13,176,884
(2) Assumed Reinsurance:	None	None
(3) Net of Ceded Reinsurance:	\$ 11,713,893	\$ 13,176,884

34. SUBSCRIBER SAVINGS ACCOUNTS

None.

35. MULTIPLE PERIL CROP INSURANCE

Not applicable.

36. FINANCIAL GUARANTY INSURANCE

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? CALIFORNIA
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2021
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2017
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/28/2019
- 3.4 By what department or departments?
California Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
BFP Securities, LLC	St. Louis, Missouri				YES.....
Farmers Financial Solutions, LLC	Westlake Village, California				YES.....

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the depository institution holding company? Yes [] No [X]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [] No [X] N/A []
- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP 725 S. Figueroa Street, Suite 500 Los Angeles, CA 90017
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
James Nutting, FCAS, MAAA 6301 Owensmouth Ave. Woodland Hills, CA 91367 Actuary of Farmers Insurance Group
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 - 12.11 Name of real estate holding company ...
 - 12.12 Number of parcels involved
 - 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 - a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$
 - 20.12 To stockholders not officers.....\$
 - 20.13 Trustees, supreme or grand (Fraternal Only)\$
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$
 - 20.22 To stockholders not officers.....\$
 - 20.23 Trustees, supreme or grand (Fraternal Only)\$
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$
 - 21.22 Borrowed from others.....\$
 - 21.23 Leased from others\$
 - 21.24 Other\$
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$
 - 22.22 Amount paid as expenses\$
 - 22.23 Other amounts paid\$
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [] No [X]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

INVESTMENT

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [X] No []

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
GENERAL INTERROGATORIES**

- 25.02 If no, give full and complete information relating thereto
N/A
- 25.03 For securities lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
N/A
- 25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$
- 25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 25.09 For the reporting entity's securities lending program state the amount of the following as of December 31 of the current year:
- 25.091 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$
- 25.092 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 25.093 Total payable for securities lending reported on the liability page. \$

- 26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [X] No []
- 26.2 If yes, state the amount thereof at December 31 of the current year:
- 26.21 Subject to repurchase agreements \$
- 26.22 Subject to reverse repurchase agreements \$
- 26.23 Subject to dollar repurchase agreements \$
- 26.24 Subject to reverse dollar repurchase agreements \$
- 26.25 Placed under option agreements \$
- 26.26 Letter stock or securities restricted as to sale -
excluding FHLB Capital Stock \$
- 26.27 FHLB Capital Stock \$ 15,000,000
- 26.28 On deposit with states \$ 579,339,182
- 26.29 On deposit with other regulatory bodies \$
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$
- 26.32 Other \$

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 27.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 27.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

- 27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? . Yes [] No []
- 27.4 If the response to 27.3 is YES, does the reporting entity utilize:
- 27.41 Special accounting provision of SSAP No. 108 Yes [] No []
- 27.42 Permitted accounting practice Yes [] No []
- 27.43 Other accounting guidance Yes [] No []
- 27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [] No []
- The reporting entity has obtained explicit approval from the domiciliary state.
 - Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
 - Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
 - Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.
- 28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 28.2 If yes, state the amount thereof at December 31 of the current year. \$
29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?..... Yes [X] No []

29.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Bank & Trust Company, N.A.	560 Mission ST, San Francisco, CA 94105

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
GENERAL INTERROGATORIES**

29.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [] No [X]

29.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
DWS Investment Management Americas, Inc.	U.....
Prudential Private Placement Investors, LP	U.....
Allspring Global Investments	U.....
Clarion Partners	U.....
Barings LLC	U.....
MetLife Investment Management, LLC	U.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [X] No []

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [] No [X]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
104518	DWS Investment Management Americas, Inc.	CZ83K4EEEEX8QVCT3B128	U.S. Securities and Exchange Commission	NO.....
106442	Prudential Private Placement Investors LP.	none	U.S. Securities and Exchange Commission	NO.....
104973	Allspring Global Investments	549300B3H21002L85190	U.S. Securities and Exchange Commission	NO.....
108803	Clarion Partners	none	U.S. Securities and Exchange Commission	NO.....
106006	Barings LLC	ANDKRHQKPRRG402KLR05	U.S. Securities and Exchange Commission	NO.....
142463	MetLife Investment Management, LLC	EAU072Q8FCR1S0XGYJ21	U.S. Securities and Exchange Commission	NO.....

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [] No [X]

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total		

30.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
GENERAL INTERROGATORIES**

31. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	4,679,839,882	4,406,604,232	(273,235,651)
31.2 Preferred stocks		5,040,564	5,040,564
31.3 Totals	4,679,839,882	4,411,644,796	(268,195,086)

31.4 Describe the sources or methods utilized in determining the fair values:

For the majority of securities, in determining fair market value, quotes were obtained from third party sources. If quotes from these sources were not available, a broker estimate was utilized. Any few instances where a broker estimate was not available, the market value was analytically determined.

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No []

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No []

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
.....

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes [X] No []

33.2 If no, list exceptions:
.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [] No [] N/A [X]

**ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
GENERAL INTERROGATORIES**

38.1 Does the reporting entity directly hold cryptocurrencies? Yes [] No [X]

38.2 If the response to 38.1 is yes, on what schedule are they reported?
.....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? Yes [] No [X]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?
39.21 Held directly Yes [] No []
39.22 Immediately converted to U.S. dollars Yes [] No []

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1	2	3
Name of Cryptocurrency	Immediately Converted to USD, Directly Held, or Both	Accepted for Payment of Premiums

OTHER

40.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$ 4,103,186

40.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1	2
Name	Amount Paid

41.1 Amount of payments for legal expenses, if any? \$ 1,026,718

41.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
HOGAN LOVELLS US LLP	625,622

42.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$

42.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers, or departments of government during the period covered by this statement.

1	2
Name	Amount Paid

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only. \$ _____

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ _____

1.6 Individual policies:

	Most current three years:
1.61 Total premium earned	\$
1.62 Total incurred claims	\$
1.63 Number of covered lives .....	.....
All years prior to most current three years	
1.64 Total premium earned	\$
1.65 Total incurred claims	\$
1.66 Number of covered lives .....	.....

1.7 Group policies:

	Most current three years:
1.71 Total premium earned	\$
1.72 Total incurred claims	\$
1.73 Number of covered lives .....	.....
All years prior to most current three years	
1.74 Total premium earned	\$
1.75 Total incurred claims	\$
1.76 Number of covered lives .....	.....

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator	8,596,631,593	8,056,067,860
2.3 Premium Ratio (2.1/2.2)	0.000	0.000
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	10,928,754,392	10,078,277,001
2.6 Reserve Ratio (2.4/2.5)	0.000	0.000

3.1 Did the reporting entity issue participating policies during the calendar year? Yes [] No [X]

3.2 If yes, provide the amount of premium written for participating and/or non-participating policies during the calendar year:

3.21 Participating policies	\$
3.22 Non-participating policies	\$

4. For mutual reporting Entities and Reciprocal Exchanges Only:

4.1 Does the reporting entity issue assessable policies? Yes [] No [X]

4.2 Does the reporting entity issue non-assessable policies? Yes [X] No []

4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders? % _____

4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums. \$ _____

5. For Reciprocal Exchanges Only:

5.1 Does the Exchange appoint local agents? Yes [X] No []

5.2 If yes, is the commission paid:

5.21 Out of Attorney's-in-fact compensation.....	Yes []	No [X]	N/A []
5.22 As a direct expense of the exchange.....	Yes [X]	No []	N/A []

5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact? Losses, loss adjustment expenses, agents' commissions, taxes, licenses and fees.

5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred? Yes [] No [X]

5.5 If yes, give full information

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?
 We purchase reinsurance to protect our workers compensation exposure.
- 6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations or concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process.
 The company licenses catastrophe modeling software from outside vendors specializing in these products. Based on these models, California Earthquake and Texas Hurricane have been identified as having the most significant potential for large losses.
- 6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?
 Through various catastrophe mitigation actions including but not limited to joining the California Earthquake Authority (CEA) and the company buys catastrophe reinsurance protection.
- 6.4 Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence? Yes [X] No []
- 6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss.

- 7.1 Has this reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)? Yes [X] No []
- 7.2 If yes, indicate the number of reinsurance contracts containing such provisions: 1
- 7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)? Yes [] No [X]
- 8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured? Yes [] No [X]
- 8.2 If yes, give full information

- 9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:
 (a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;
 (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
 (c) Aggregate stop loss reinsurance coverage;
 (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
 (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
 (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity. Yes [] No [X]
- 9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:
 (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
 (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract. Yes [] No [X]
- 9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:
 (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;
 (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
 (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.
- 9.4 Except for transactions meeting the requirements of paragraph 36 of SSAP No. 62R - Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:
 (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
 (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP? Yes [] No [X]
- 9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (Section D) why the contract(s) is treated differently for GAAP and SAP.
- 9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:
 (a) The entity does not utilize reinsurance; or, Yes [] No [X]
 (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or Yes [] No [X]
 (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement. Yes [] No [X]
10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done? Yes [X] No [] N/A []

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

- 11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force? Yes [] No [X]
- 11.2 If yes, give full information
.....
- 12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:
- 12.11 Unpaid losses\$312,775
- 12.12 Unpaid underwriting expenses (including loss adjustment expenses)\$8,601
- 12.2 Of the amount on Line 15.3, Page 2, state the amount which is secured by letters of credit, collateral and other funds \$ _____
- 12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses? Yes [] No [X] N/A []
- 12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:
- 12.41 From %
- 12.42 To..... %
- 12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies? Yes [] No [X]
- 12.6 If yes, state the amount thereof at December 31 of the current year:
- 12.61 Letters of credit\$
- 12.62 Collateral and other funds.....\$
- 13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):\$ 3,881,250
- 13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision? Yes [] No [X]
- 13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount. 3
- 14.1 Is the company a cedant in a multiple cedant reinsurance contract? Yes [] No [X]
- 14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants:
.....
- 14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts? Yes [] No []
- 14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements? Yes [] No []
- 14.5 If the answer to 14.4 is no, please explain:
.....
- 15.1 Has the reporting entity guaranteed any financed premium accounts? Yes [] No [X]
- 15.2 If yes, give full information
.....
- 16.1 Does the reporting entity write any warranty business? Yes [] No [X]
If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Direct Written Premium	4 Direct Premium Unearned	5 Direct Premium Earned
16.11 Home
16.12 Products
16.13 Automobile
16.14 Other*

* Disclose type of coverage:
.....

GENERAL INTERROGATORIES

PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that is exempt from the statutory provision for unauthorized reinsurance? Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984, and not subsequently renewed are exempt from the statutory provision for unauthorized reinsurance. Provide the following information for this exemption:

- 17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 exempt from the statutory provision for unauthorized reinsurance \$
- 17.12 Unfunded portion of Interrogatory 17.11 \$
- 17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11... \$
- 17.14 Case reserves portion of Interrogatory 17.11 \$
- 17.15 Incurred but not reported portion of Interrogatory 17.11 \$
- 17.16 Unearned premium portion of Interrogatory 17.11 \$
- 17.17 Contingent commission portion of Interrogatory 17.11 \$

18.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

18.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

18.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

18.4 If yes, please provide the balance of funds administered as of the reporting date. \$

19. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [X] No []

19.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [] No []

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e. 17.6.

	1 2022	2 2021	3 2020	4 2019	5 2018
Gross Premiums Written (Page 8, Part 1B Cols. 1, 2 & 3)					
1. Liability lines (Lines 11, 16, 17, 18 & 19)	10,189,103,281	10,093,944,672	7,671,330,879	8,375,282,553	8,171,623,129
2. Property lines (Lines 1, 2, 9, 12, 21 & 26)	6,813,889,949	6,755,473,253	5,115,110,228	5,380,310,787	5,342,813,588
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	15,198,137,954	13,275,013,252	11,061,091,201	11,025,290,296	10,739,857,845
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	79,340,111	28,765,684	6,310,354	817,458	888,908
5. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
6. Total (Line 35)	32,280,471,295	30,153,196,861	23,853,842,663	24,781,701,094	24,255,183,470
Net Premiums Written (Page 8, Part 1B, Col. 6)					
7. Liability lines (Lines 11, 16, 17, 18 & 19)	3,252,323,812	3,191,654,261	2,712,849,838	2,755,144,227	2,659,176,172
8. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,274,870,123	2,208,992,622	1,854,516,043	1,893,396,813	1,858,391,427
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	3,281,453,145	3,100,548,155	2,808,386,640	2,780,171,692	2,643,036,146
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	20,599,941	7,512,294	3,159,640	296,198	322,070
11. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
12. Total (Line 35)	8,829,247,019	8,508,707,331	7,378,912,160	7,429,008,930	7,160,925,814
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8)	(602,064,380)	(354,372,536)	(186,998,324)	(101,292,901)	(109,252,076)
14. Net investment gain (loss) (Line 11)	318,506,408	44,414,990	78,355,832	118,499,900	45,729,708
15. Total other income (Line 15)	(170,997,692)	(129,587,284)	(65,984,253)	(2,844,565)	(55,020,372)
16. Dividends to policyholders (Line 17)	388,288	549,112	396,076	792,459	371,232
17. Federal and foreign income taxes incurred (Line 19)	(140,787,808)	(73,277,859)	(58,664,261)	(41,703,653)	(48,438,070)
18. Net income (Line 20)	(314,156,144)	(366,816,082)	(116,358,560)	55,273,627	(70,475,902)
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	22,979,180,559	21,740,696,280	17,853,262,522	17,456,500,242	17,016,311,531
20. Premiums and considerations (Page 2, Col. 3)					
20.1 In course of collection (Line 15.1)	401,699,597	267,048,552	223,506,249	223,576,163	223,126,225
20.2 Deferred and not yet due (Line 15.2)	4,369,079,465	3,754,766,993	3,495,399,724	3,297,308,290	3,082,447,475
20.3 Accrued retrospective premiums (Line 15.3)	376,890	535,270	545,731	613,707	632,973
21. Total liabilities excluding protected cell business (Page 3, Line 26)	18,520,292,319	16,908,421,686	13,185,881,113	12,962,783,801	12,919,967,248
22. Losses (Page 3, Line 1)	4,649,561,139	4,223,162,949	3,778,135,649	3,658,425,810	3,614,271,736
23. Loss adjustment expenses (Page 3, Line 3)	1,232,071,617	1,224,523,647	1,082,773,735	1,080,203,754	1,059,029,772
24. Unearned premiums (Page 3, Line 9)	3,820,915,241	3,588,323,448	3,135,683,977	3,104,057,489	2,913,193,242
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	4,458,888,239	4,832,274,595	4,667,381,410	4,493,716,442	4,096,344,283
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	(853,888,696)	1,139,626,877	111,320,393	134,174,457	21,685,795
Risk-Based Capital Analysis					
28. Total adjusted capital	4,458,888,239	4,832,274,595	4,667,381,410	4,493,716,442	4,096,344,283
29. Authorized control level risk-based capital	1,136,250,437	1,033,676,397	946,034,522	870,425,668	889,688,981
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line divided by Page 2, Line 12, Col. 3) x100.0					
30. Bonds (Line 1)	33.1	34.0	39.6	37.7	38.1
31. Stocks (Lines 2.1 & 2.2)	56.0	58.2	50.7	52.2	52.5
32. Mortgage loans on real estate (Lines 3.1 and 3.2)	0.7				
33. Real estate (Lines 4.1, 4.2 & 4.3)	2.4	2.0	2.3	2.6	3.4
34. Cash, cash equivalents and short-term investments (Line 5)	6.2	4.1	5.5	5.6	3.8
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)	1.6	1.7	1.9	2.0	2.1
38. Receivables for securities (Line 9)	0.0	0.1	0.0	0.0	0.1
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Schedule D, Summary, Line 12, Col. 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Col. 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Col. 1)	7,453,393,004	7,230,925,263	5,596,921,600	5,406,232,802	5,125,595,068
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Col. 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. Total of above Lines 42 to 47	7,453,393,004	7,230,925,263	5,596,921,600	5,406,232,802	5,125,595,068
49. Total Investment in Parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Col. 1, Line 37 x 100.0)	167.2	149.6	119.9	120.3	125.1

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2022	2 2021	3 2020	4 2019	5 2018
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains (losses) (Line 24)	87,981,593	485,490,175	231,465,711	325,242,868	125,369,793
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	(373,386,355)	164,893,185	173,664,968	397,372,159	(106,760,723)
Gross Losses Paid (Page 9, Part 2, Cols. 1 & 2)					
54. Liability lines (Lines 11, 16, 17, 18 & 19)	5,365,350,690	4,575,564,832	4,598,143,462	4,785,682,794	4,729,666,616
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	4,478,170,848	3,856,515,615	2,659,682,104	2,987,994,071	2,916,042,857
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	8,856,056,613	7,432,069,056	6,867,804,149	5,556,256,286	6,498,818,731
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	17,728,233	4,920,442	156,866	92,117	765,954
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
59. Total (Line 35)	18,717,306,383	15,869,069,945	14,125,786,581	13,330,025,268	14,145,294,157
Net Losses Paid (Page 9, Part 2, Col. 4)					
60. Liability lines (Lines 11, 16, 17, 18 & 19)	1,753,283,962	1,483,810,499	1,541,086,016	1,673,707,289	1,717,762,087
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	1,513,293,112	1,294,269,525	964,527,864	1,066,227,421	997,042,346
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22 & 27)	1,989,144,133	1,923,861,297	1,751,751,182	1,448,472,434	1,451,509,818
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)	4,619,878	1,584,247	63,501	31,720	298,538
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)					
65. Total (Line 35)	5,260,341,084	4,703,525,567	4,257,428,564	4,188,438,865	4,166,612,788
Operating Percentages (Page 4) (Line divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	66.2	63.9	59.6	58.5	58.2
68. Loss expenses incurred (Line 3)	8.8	9.7	9.5	10.5	10.0
69. Other underwriting expenses incurred (Line 4)	32.1	30.8	33.5	32.6	33.4
70. Net underwriting gain (loss) (Line 8)	(7.0)	(4.4)	(2.5)	(1.4)	(1.5)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Col. 6, Line 35 x 100.0)	33.2	30.7	34.2	31.6	33.8
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	74.9	73.6	69.1	69.0	68.2
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Col. 6, Line 35 divided by Page 3, Line 37, Col. 1 x 100.0)	198.0	176.1	158.1	165.3	174.8
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P - Part 2 - Summary, Line 12, Col. 11)	(84,864)	26,168	43,055	54,220	50,880
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Col. 1 x 100.0).....	(1.8)	0.6	1.0	1.3	1.2
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred two years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Col. 12)	(74,805)	118,251	26,579	93,349	77,712
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Col. 2 x 100.0)	(1.6)	2.6	0.6	2.2	1.8

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []
 If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES
SCHEDULE P - PART 1 - SUMMARY

(\$000 OMITTED)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments						10 Salvage and Subrogation Received	11 Total Net Paid Cols (4 - 5 + 6 - 7 + 8 - 9)	12 Number of Claims Reported Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments				
				4	5	6	7	8	9			
1. Prior.....	XXX	XXX	XXX	67,512	20,158	32,810	1,580	1,595	(1)	972	80,180	XXX
2. 2013.....	9,678,053	2,575,631	7,102,422	5,414,186	1,362,864	206,039	43,252	771,302	212,031	312,731	4,773,380	XXX
3. 2014.....	9,588,056	2,558,971	7,029,086	5,177,602	1,305,177	198,527	41,001	741,761	199,739	317,502	4,571,972	XXX
4. 2015.....	9,765,171	1,907,764	7,857,407	5,529,873	1,012,250	203,139	30,628	799,542	144,243	358,180	5,345,433	XXX
5. 2016.....	10,100,404	2,269,341	7,831,063	6,011,055	1,316,310	206,757	48,742	790,110	162,091	391,434	5,480,779	XXX
6. 2017.....	10,264,782	2,750,202	7,514,580	6,909,579	2,507,171	209,011	91,681	810,607	197,246	391,656	5,133,100	XXX
7. 2018.....	10,435,009	3,332,064	7,102,945	6,259,748	2,249,711	183,773	89,064	796,996	235,772	461,780	4,665,970	XXX
8. 2019.....	10,572,105	3,333,960	7,238,145	5,854,254	1,820,472	150,141	44,206	773,747	243,166	393,537	4,670,298	XXX
9. 2020.....	10,399,135	3,051,849	7,347,286	5,500,746	1,694,415	100,443	24,992	675,698	210,534	337,626	4,346,946	XXX
10. 2021.....	12,197,226	4,141,158	8,056,068	6,460,938	2,129,746	68,911	25,478	770,954	301,343	483,123	4,844,236	XXX
11. 2022	13,310,014	4,713,382	8,596,632	4,925,818	1,658,637	24,864	8,166	582,622	252,702	323,388	3,613,799	XXX
12. Totals	XXX	XXX	XXX	58,111,312	17,076,912	1,584,415	448,790	7,514,935	2,158,867	3,771,928	47,526,093	XXX

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		Adjusting and Other Unpaid				
	13	14	15	16	17	18	19	20	21	22			
1. Prior.....	106,727	25,179	378,679	149,806	329	12	167,422	1,000	47,572	1,395	524,731	XXX	
2. 2013.....	6,551	1,443	32,224	16,958	85	17	5,196	1,056	2,923	261	27,505	XXX	
3. 2014.....	9,807	2,094	35,415	17,904	6	1	5,018	1,082	4,629	433	33,792	XXX	
4. 2015.....	13,424	2,405	40,439	17,037	12	2	6,297	888	5,394	717	45,234	XXX	
5. 2016.....	21,250	5,268	49,409	24,194	20	15	8,949	2,237	6,780	2	54,692	XXX	
6. 2017.....	44,518	12,574	79,723	35,188	72	17	12,868	4,253	9,954	12	95,091	XXX	
7. 2018.....	86,980	30,466	124,396	54,548	64	19	23,156	13,148	15,512	1	151,927	XXX	
8. 2019.....	170,669	58,358	191,278	85,513	156	46	42,066	12,724	28,560	5	276,084	XXX	
9. 2020.....	272,848	84,199	417,198	195,408	344	118	77,288	25,538	49,634	11,683	512,049	XXX	
10. 2021.....	653,114	229,290	928,556	463,092	7,760	2,547	136,645	46,949	123,853	35,918	1,108,051	XXX	
11. 2022	1,241,029	421,945	2,663,887	985,690	19,268	6,039	198,739	70,791	414,288	269	3,052,477	XXX	
12. Totals	2,626,917	873,222	4,941,204	2,045,338	28,118	8,833	683,642	179,666	709,098	289	5,881,633	XXX	

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred / Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount	
	26	27	28	29	30	31	32	33		35	36
1. Prior.....	XXX	XXX	XXX	XXX	XXX	XXX			XXX	310,421	214,310
2. 2013.....	6,438,505	1,637,621	4,800,885	66.5	63.6	67.6			51.8	20,375	7,130
3. 2014.....	6,172,765	1,567,000	4,605,764	64.4	61.2	65.5			51.8	25,223	8,569
4. 2015.....	6,598,119	1,207,453	5,390,667	67.6	63.3	68.6			51.8	34,421	10,813
5. 2016.....	7,094,330	1,558,859	5,535,472	70.2	68.7	70.7			51.8	41,197	13,496
6. 2017.....	8,076,333	2,848,142	5,228,191	78.7	103.6	69.6			51.8	76,479	18,612
7. 2018.....	7,490,625	2,672,729	4,817,896	71.8	80.2	67.8			51.8	126,362	25,565
8. 2019.....	7,210,871	2,264,489	4,946,382	68.2	67.9	68.3			51.8	218,076	58,008
9. 2020.....	7,094,199	2,235,204	4,858,995	68.2	73.2	66.1			51.8	410,439	101,610
10. 2021.....	9,150,731	3,198,444	5,952,287	75.0	77.2	73.9			51.8	889,288	218,763
11. 2022	10,070,517	3,404,240	6,666,277	75.7	72.2	77.5			51.8	2,497,282	555,196
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX			XXX	4,649,561	1,232,072

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2013	2 2014	3 2015	4 2016	5 2017	6 2018	7 2019	8 2020	9 2021	10 2022	11 One Year	12 Two Year
1. Prior.....	2,253,003	2,293,409	2,361,062	2,486,712	2,504,124	2,505,009	2,508,590	2,497,034	2,515,017	2,530,109	15,092	33,075
2. 2013.....	4,184,449	4,185,460	4,223,985	4,238,040	4,240,295	4,238,032	4,240,285	4,239,163	4,242,569	4,238,691	(3,879)	(472)
3. 2014.....	XXX	4,014,941	4,026,307	4,047,301	4,062,892	4,062,091	4,067,025	4,064,141	4,065,421	4,059,114	(6,307)	(5,028)
4. 2015.....	XXX	XXX	4,686,993	4,698,712	4,717,275	4,740,331	4,742,638	4,736,214	4,736,727	4,729,973	(6,753)	(6,241)
5. 2016.....	XXX	XXX	XXX	4,873,136	4,840,481	4,876,150	4,876,507	4,874,153	4,907,218	4,900,675	(6,543)	26,522
6. 2017.....	XXX	XXX	XXX	XXX	4,581,751	4,576,086	4,605,121	4,597,657	4,609,185	4,604,888	(4,297)	7,231
7. 2018.....	XXX	XXX	XXX	XXX	XXX	4,208,942	4,220,694	4,224,858	4,231,144	4,241,162	10,018	16,304
8. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	4,349,100	4,419,796	4,420,931	4,387,246	(33,685)	(32,550)
9. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	4,457,843	4,408,815	4,344,196	(64,618)	(113,646)
10. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,342,714	5,358,823	16,109	XXX
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	5,922,338	XXX	XXX
12. Totals											(84,864)	(74,805)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of	12 Number of
	1 2013	2 2014	3 2015	4 2016	5 2017	6 2018	7 2019	8 2020	9 2021	10 2022	Claims Closed With Loss Payment	Claims Closed Without Loss Payment
1. Prior.....	000	802,961	1,235,713	1,522,859	1,671,633	1,768,584	1,855,524	1,918,872	1,974,366	2,052,950	XXX	XXX
2. 2013.....	2,478,015	3,426,446	3,799,767	4,000,266	4,117,288	4,162,500	4,185,334	4,196,983	4,209,953	4,214,109	XXX	XXX
3. 2014.....	XXX	2,353,968	3,294,613	3,637,872	3,841,569	3,943,403	3,990,544	4,011,045	4,025,055	4,029,950	XXX	XXX
4. 2015.....	XXX	XXX	2,723,137	3,834,468	4,235,171	4,485,151	4,604,516	4,650,589	4,674,831	4,690,134	XXX	XXX
5. 2016.....	XXX	XXX	XXX	2,937,417	4,036,401	4,427,320	4,645,135	4,745,989	4,826,935	4,852,761	XXX	XXX
6. 2017.....	XXX	XXX	XXX	XXX	2,890,718	3,797,704	4,184,165	4,351,202	4,470,366	4,519,738	XXX	XXX
7. 2018.....	XXX	XXX	XXX	XXX	XXX	2,518,272	3,506,434	3,820,970	3,991,908	4,104,746	XXX	XXX
8. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	2,491,842	3,582,125	3,958,850	4,139,717	XXX	XXX
9. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	2,599,492	3,518,809	3,881,782	XXX	XXX
10. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,069,953	4,374,625	XXX	XXX
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	3,283,879	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2013	2 2014	3 2015	4 2016	5 2017	6 2018	7 2019	8 2020	9 2021	10 2022
1. Prior.....	1,335,051	935,749	743,566	707,737	644,531	589,479	538,365	473,262	445,400	395,295
2. 2013.....	1,055,572	382,449	216,937	127,433	70,026	47,698	36,761	29,531	24,300	19,405
3. 2014.....	XXX	1,137,037	399,113	217,942	116,299	72,362	51,250	38,117	30,252	21,446
4. 2015.....	XXX	XXX	1,350,813	464,876	251,233	135,009	82,668	54,237	40,524	28,810
5. 2016.....	XXX	XXX	XXX	1,345,962	424,964	240,015	123,430	70,907	46,517	31,927
6. 2017.....	XXX	XXX	XXX	XXX	981,668	363,828	215,816	125,434	80,029	53,151
7. 2018.....	XXX	XXX	XXX	XXX	XXX	1,077,884	342,302	187,727	114,936	79,858
8. 2019.....	XXX	XXX	XXX	XXX	XXX	XXX	1,305,328	465,972	253,035	135,107
9. 2020.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,244,727	518,058	273,540
10. 2021.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,536,415	555,161
11. 2022	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	1,806,145

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

States, Etc.	1 Active Status (a)	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premiums Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama	AL	L	54,658,858	55,091,467	27,652,361	25,883,317	19,711,156	194,612	
2. Alaska	AK	N							
3. Arizona	AZ	L	182,983,375	175,056,844	121,276,754	126,376,898	87,303,513	308,685	
4. Arkansas	AR	L	51,924,118	49,484,821	45,232,780	55,196,656	22,841,931	110,918	
5. California	CA	L	2,994,183,965	2,904,086,820	1,871,900,924	2,162,623,550	1,891,565,139	21,414,601	
6. Colorado	CO	L	457,248,475	445,553,919	270,936,028	177,124,022	257,928,139	1,009,151	
7. Connecticut	CT	L	543,316	582,961	179,224	322,760	236,093	6,723	
8. Delaware	DE	L	2,214,723	2,098,457	1,228,392	1,645,186	2,303,373		
9. District of Columbia	DC	L							
10. Florida	FL	L	92,561,261	90,059,458	63,667,761	88,703,458	77,308,081	315,008	
11. Georgia	GA	L	377,917,696	357,001,768	239,586,570	320,374,046	294,278,867	370,410	
12. Hawaii	HI	N							
13. Idaho	ID	L	39,226,800	37,971,342	22,537,344	26,131,298	16,716,491	108,494	
14. Illinois	IL	L	150,637,966	159,305,911	104,832,837	96,649,577	64,173,247	295,241	
15. Indiana	IN	L	39,857,200	41,449,426	22,568,098	22,057,285	22,406,255	72,002	
16. Iowa	IA	L	20,582,920	20,418,768	13,039,375	14,331,136	11,540,714	29,395	
17. Kansas	KS	L	77,793,983	76,018,818	31,607,931	26,990,059	17,786,812	119,113	
18. Kentucky	KY	L	4,245,007	3,602,739	2,219,628	3,297,376	2,094,902	26,244	
19. Louisiana	LA	L	3,356,987	2,640,821	1,523,377	1,744,638	1,023,458	25,482	
20. Maine	ME	L	761,267	788,679	104,332	57,364	127,147	445	
21. Maryland	MD	L	83,129,920	80,816,943	50,956,204	64,886,295	75,122,083	15,374	
22. Massachusetts	MA	L			1,584	1,585	1		
23. Michigan	MI	L	149,845,883	148,627,323	106,608,513	113,583,411	675,632,714	557,555	
24. Minnesota	MN	L	138,879,857	133,696,712	93,803,982	108,324,096	74,465,068	1,042,340	
25. Mississippi	MS	L	918,331	774,991	455,448	655,447	350,626	8,524	
26. Missouri	MO	L	156,693,957	154,428,629	81,480,395	86,191,708	61,872,399	254,538	
27. Montana	MT	L	36,981,616	36,367,960	22,787,884	23,694,903	13,295,879	68,735	
28. Nebraska	NE	L	38,496,279	36,887,626	28,056,279	33,620,955	17,997,384	50,844	
29. Nevada	NV	L	314,495,571	306,225,185	144,610,330	228,601,902	214,671,232	787,247	
30. New Hampshire	NH	L	10,899	10,898	171	113	2,939	14	
31. New Jersey	NJ	L	41,946,285	43,750,979	32,273,599	27,824,106	59,788,054	186,962	
32. New Mexico	NM	L	80,698,096	78,414,588	62,715,133	65,567,906	36,141,666	178,196	
33. New York	NY	L	705,042	716,444	61,265	310,549	686,295	9,417	
34. North Carolina	NC	L	527	568	(414)	(3,502)	1,903		
35. North Dakota	ND	L	9,079,582	8,767,050	5,298,648	5,621,052	2,758,737	12,477	
36. Ohio	OH	L	51,293,860	51,353,177	31,755,583	32,278,194	16,848,838	167,665	
37. Oklahoma	OK	L	13,303,546	13,642,392	4,169,177	7,223,662	14,007,290	75,565	
38. Oregon	OR	L	109,801,404	102,718,807	60,468,137	50,068,100	90,819,390	335,801	
39. Pennsylvania	PA	L	106,266,082	99,669,884	56,599,717	67,905,527	109,281,181	48,246	
40. Rhode Island	RI	L							
41. South Carolina	SC	L							
42. South Dakota	SD	L	20,762,851	19,458,306	19,764,677	21,196,638	7,740,711	28,735	
43. Tennessee	TN	L	68,622,215	68,462,820	42,111,084	42,795,452	28,827,161	349,699	
44. Texas	TX	L	79,556,787	82,891,511	33,678,836	37,499,394	74,493,857	419,544	
45. Utah	UT	L	78,224,888	71,707,891	38,471,982	39,939,885	25,635,515	165,766	
46. Vermont	VT	L							
47. Virginia	VA	L	66,445,518	64,674,678	16,412,810	26,305,309	57,604,582	95,908	
48. Washington	WA	L	40,103,159	39,140,718	20,267,935	18,725,168	41,478,300	280,950	
49. West Virginia	WV	L	734,889	732,635	143,585	431,253	629,073		
50. Wisconsin	WI	L	17,095,251	17,409,500	13,933,923	14,266,396	11,164,206	79,480	
51. Wyoming	WY	L	37,660,644	35,138,581	10,696,847	9,600,594	8,844,704	63,312	
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	XXX							
59. Totals	XXX		6,292,450,854	6,117,699,812	649,752	3,817,677,031	4,276,624,724	4,509,507,105	29,689,420
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX								

(a) Active Status Counts:

- 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 49
- 2. R - Registered - Non-domiciled RRGs.....
- 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state (other than their state of domicile - see DSLI).....
- 4. Q - Qualified - Qualified or accredited reinsurer.....
- 5. D - Domestic Surplus Lines Insurer (DSLII) - Reporting entities authorized to write surplus lines in the state of domicile.....
- 6. N - None of the above - Not allowed to write business in the state..... 8

(b) Explanation of basis of allocation of premiums by states, etc. Premiums are assigned to the states in which the risk is located.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF FARMERS INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART

Company	FEIN	NAIC	Domiciled	Ownership	%
10433 Ella Blvd, LLC	83-0877980	N/A	DE	Mid-Century Insurance Company	100.00000
11930 Narcoossee Road, LLC	82-3606914	N/A	DE	Mid-Century Insurance Company	100.00000
12225 NE 60th Way, LLC	86-3957205	N/A	DE	Truck Insurance Exchange	100.00000
14001 Rosencrans Avenue, LLC	84-2794277	N/A	DE	Farmers Insurance Exchange	100.00000
145 Great Road, LLC	81-4674724	N/A	DE	Mid-Century Insurance Company	100.00000
17885 Von Karman, LLC	47-3820947	N/A	CA	Farmers Insurance Exchange	100.00000
201 Railroad Ave, LLC	82-2860816	N/A	DE	Farmers Insurance Exchange	100.00000
21st Century Advantage Insurance Company	22-3398993	25232	MN	21st Century North America Insurance Company	100.00000
21st Century Casualty Company	95-4136306	36404	CA	21st Century Insurance Group	100.00000
21st Century Centennial Insurance Company	23-2044095	34789	PA	Mid-Century Insurance Company	100.00000
21st Century Insurance and Financial Services, Inc.	51-0283170	N/A	DE	Mid-Century Insurance Company	100.00000
21st Century Insurance Company	95-2565072	12963	CA	21st Century Insurance Group	100.00000
21st Century Insurance Group	95-1935264	N/A	DE	Mid-Century Insurance Company	100.00000
21st Century North America Insurance Company	13-3333609	32220	NY	Mid-Century Insurance Company	100.00000
21st Century Pinnacle Insurance Company	13-3922232	10710	NJ	21st Century North America Insurance Company	100.00000
21st Century Premier Insurance Company	22-1721971	20796	PA	21st Century Centennial Insurance Company	100.00000
2475 Mill Center Parkway, LLC	92-1475501	N/A	DE	Farmers Insurance Exchange	100.00000
2501 East Valley Road, LLC	82-2666461	N/A	DE	Fire Insurance Exchange	100.00000
280 Riverside Parkway, LLC	92-1508649	N/A	DE	Farmers Insurance Exchange	100.00000
3049 East Washburn Road, LLC	88-4349711	N/A	DE	Farmers Insurance Exchange	100.00000
3195 East Washburn Road, LLC	92-1207495	N/A	DE	Farmers Insurance Exchange	100.00000
384 Santa Trinita Ave LLC	81-0741455	N/A	DE	Fire Insurance Exchange	100.00000
3900 Indian Avenue, LLC	81-2487862	N/A	DE	Farmers Insurance Exchange	100.00000
4345 Hamilton Mill Road, LLC	92-1554532	N/A	DE	Farmers Insurance Exchange	100.00000
460 Gibraltar Drive, LLC	81-4365602	N/A	DE	Truck Insurance Exchange	100.00000
475 Riverside Parkway, LLC	92-1590378	N/A	DE	Mid-Century Insurance Company	100.00000
5401 Wiles Road LLC	47-2591947	N/A	FL	Mid-Century Insurance Company	100.00000
600 Riverside Parkway, LLC	81-1746692	N/A	DE	Farmers Insurance Exchange	100.00000
6671-6675 North Macarthur Blvd, LLC	82-4386531	N/A	DE	Mid-Century Insurance Company	100.00000
American Federation Insurance Company	86-0812982	10245	TX	21st Century Insurance Group	100.00000
American Pacific Insurance Company, Inc.	13-3953213	10805	HI	Farmers Insurance Hawaii, Inc.	100.00000
Bristol West Casualty Insurance Company	34-1893500	11034	OH	Coast National Insurance Company	100.00000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Farmers Insurance Exchange	42.00000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Fire Insurance Exchange	3.75000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Truck Insurance Exchange	6.75000
Bristol West Holdings, Inc.	13-3994449	N/A	DE	Mid-Century Insurance Company	47.50000
Bristol West Insurance Company	38-1865162	19658	OH	Coast National Insurance Company	100.00000
Bristol West Insurance Services of California, Inc.	65-0880876	N/A	CA	Bristol West Holdings, Inc.	100.00000
Bristol West Insurance Services, Inc. of Florida	65-0616769	N/A	FL	Bristol West Holdings, Inc.	100.00000
Bristol West Preferred Insurance Company	86-1174452	12774	MI	Bristol West Holdings, Inc.	100.00000
BWIS of Nevada, Inc.	65-0919338	N/A	NV	Bristol West Holdings, Inc.	100.00000
Civic Property and Casualty Company	95-4528269	10315	CA	Fire Insurance Exchange	80.00000
Civic Property and Casualty Company	95-4528269	10315	CA	Truck Insurance Exchange	20.00000
Coast National General Agency, Inc.	76-0543593	N/A	TX	Bristol West Holdings, Inc.	100.00000
Coast National Holding Company	33-0246699	N/A	CA	Bristol West Holdings, Inc.	100.00000
Coast National Insurance Company	33-0246701	25089	CA	Coast National Holding Company	100.00000
Economy Fire & Casualty Company	36-1022580	22926	IL	Farmers Property and Casualty Insurance Company	100.00000
Economy Preferred Insurance Company	36-3027848	38067	IL	Economy Fire & Casualty Company	100.00000
Economy Premier Assurance Company	36-3105737	40649	IL	Economy Fire & Casualty Company	100.00000
Exact Property and Casualty Company	95-4528266	10318	CA	Fire Insurance Exchange	80.00000
Exact Property and Casualty Company	95-4528266	10318	CA	Truck Insurance Exchange	20.00000
Farmers Casualty Insurance Company	05-0393243	40169	RI	Farmers Property and Casualty Insurance Company	100.00000
Farmers Direct Property and Casualty Insurance Company	23-1903575	25321	RI	Farmers Property and Casualty Insurance Company	100.00000
Farmers Financial Solutions, LLC	77-0530616	N/A	NV	FFS Holding, LLC	100.00000
Farmers General Insurance Agency, Inc.	95-3003951	N/A	RI	Farmers Property and Casualty Insurance Company	100.00000
Farmers Group Property and Casualty Insurance Company	13-2915260	34339	RI	Farmers Property and Casualty Insurance Company	100.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Farmers Insurance Exchange	70.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Truck Insurance Exchange	20.00000
Farmers Insurance Company of Arizona	95-2626387	21598	AZ	Fire Insurance Exchange	10.00000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Farmers Insurance Exchange	80.00000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Fire Insurance Exchange	6.70000
Farmers Insurance Company of Idaho	95-2626385	21601	ID	Truck Insurance Exchange	13.30000
Farmers Insurance Company of Oregon	95-2655893	21636	OR	Farmers Insurance Exchange	80.00000
Farmers Insurance Company of Oregon	95-2655893	21636	OR	Truck Insurance Exchange	20.00000
Farmers Insurance Company of Washington	95-2655894	21644	WA	Fire Insurance Exchange	80.00000
Farmers Insurance Company of Washington	95-2655894	21644	WA	Truck Insurance Exchange	20.00000
Farmers Insurance Company, Inc.	48-0609012	21628	KS	Farmers Insurance Exchange	90.00000
Farmers Insurance Company, Inc.	48-0609012	21628	KS	Fire Insurance Exchange	10.00000
Farmers Insurance Exchange	95-2575893	21652	CA	Interinsurance Exchange (See Note 1)	
Farmers Insurance Hawaii, Inc.	22-2640040	28487	HI	Mid-Century Insurance Company	100.00000
Farmers Insurance of Columbus, Inc.	31-0956373	36889	OH	Farmers Insurance Exchange	100.00000
Farmers Lloyds, Inc.	05-0476998	N/A	TX	Farmers Property and Casualty Insurance Company	100.00000
Farmers Lloyds Insurance Company of Texas	75-2483187	13938	TX	Farmers Lloyds, Inc. (see Note 10)	
Farmers New Century Insurance Company	36-4165395	10806	IL	Illinois Farmers Insurance Company	100.00000
Farmers Property and Casualty Insurance Company	13-2725441	26298	RI	Farmers Insurance Exchange	80.00000
Farmers Property and Casualty Insurance Company	13-2725441	26298	RI	Truck Insurance Exchange	10.00000
Farmers Property and Casualty Insurance Company	13-2725441	26298	RI	Fire Insurance Exchange	10.00000
Farmers Services Insurance Agency	95-6048990	N/A	CA	Truck Insurance Exchange	100.00000
Farmers Specialty Insurance Company	59-2326047	43699	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
Farmers Texas County Mutual Insurance Company	74-1067657	24392	TX	County Mutual Company (See Note 2)	
FCOA, LLC	27-0342907	N/A	DE	Foremost Insurance Company Grand Rapids, Michigan	100.00000
FFS Holding, LLC	77-0530617	N/A	NV	Mid-Century Insurance Company	100.00000
Fire Insurance Exchange	95-6235715	21660	CA	Interinsurance Exchange (See Note 3)	
Foremost County Mutual Insurance Company	38-1721730	29254	TX	County Mutual Company (See Note 4)	
Foremost Express Insurance Agency, Inc.	38-2505922	N/A	MI	FCOA, LLC	100.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Farmers Insurance Exchange	80.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Fire Insurance Exchange	10.00000
Foremost Insurance Company Grand Rapids, Michigan	38-1407533	11185	MI	Truck Insurance Exchange	10.00000
Foremost Lloyds of Texas	75-1779175	41688	TX	Lloyds Company (See Note 5)	
Foremost Property and Casualty Insurance Company	35-1604635	11800	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
Foremost Signature Insurance Company	38-2430150	41513	MI	Foremost Insurance Company Grand Rapids, Michigan	100.00000
GP, LLC	65-1142050	N/A	DE	Bristol West Holdings, Inc.	100.00000
Hawaii Insurance Consultants, Ltd.	99-0083322	N/A	HI	Mid-Century Insurance Company	100.00000
Illinois Farmers Insurance Company	36-2661515	21679	IL	Farmers Insurance Exchange	100.00000
Insurance Data Systems, G.P.	65-0881673	N/A	FL	Bristol West Holdings, Inc.	99.90000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF FARMERS INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Insurance Data Systems, G.P.	65-0881673	N/A	FL	GP, LLC	0.10000
Kraft Lake Insurance Agency, Inc.	38-2336672	N/A	MI	FCOA, LLC	100.00000
MC Maple Tree, LLC	85-2377860	N/A	DE	Mid-Century Insurance Company	100.00000
Mid-Century Insurance Company	95-6016640	21687	CA	Farmers Insurance Exchange	80.00000
Mid-Century Insurance Company	95-6016640	21687	CA	Fire Insurance Exchange	10.00000
Mid-Century Insurance Company	95-6016640	21687	CA	Truck Insurance Exchange	10.00000
Mid-Century Insurance Company of Texas	74-2448744	28673	TX	Farmers Insurance Exchange	100.00000
Neighborhood Spirit Property and Casualty Company	95-4528264	10317	CA	Fire Insurance Exchange	80.00000
Neighborhood Spirit Property and Casualty Company	95-4528264	10317	CA	Truck Insurance Exchange	20.00000
Security National Insurance Company	65-0109120	33120	FL	Bristol West Holdings, Inc.	100.00000
Texas Farmers Insurance Company	94-1663548	21695	TX	Farmers Insurance Exchange	86.28000
Texas Farmers Insurance Company	94-1663548	21695	TX	Mid Century Insurance Company	13.72000
Toggle Insurance Company	13-3551577	44245	DE	Mid-Century Insurance Company	100.00000
Toggle Services, LLC	83-3256280	N/A	DE	Toggle Insurance Company	100.00000
Truck Insurance Exchange	95-2575892	21709	CA	Interinsurance Exchange (See Note 6)	
Western Star Insurance Services, Inc.	74-1593853	N/A	TX	FCOA, LLC	100.00000

The following are Zurich Insurance Group entities within NAIC Group Code "0212" and are not included in Farmers Insurance Group within NAIC Group Code "0069"

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
3PZ Holdings, LLC	88-2246655	N/A	DE	ZSF/Dallas Tower LLC	63.77000
Access Franchise Management Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ACN 000 141 051 Ltd.		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Afterland Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
AG Haus der Wirtschaft		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	8.16327
Allied Dunbar Assurance plc		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	100.00000
Allied Dunbar Financial Services Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Dunbar Provident plc		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Allied Zurich Holdings Limited		N/A	JEY	Zurich Versicherungs-Gesellschaft AG	100.00000
Allied Zurich Limited		N/A	GBR	Zurich Insurance Group Ltd.	100.00000
American Guarantee and Liability Insurance Company	36-6071400	26247	NY	Zurich American Insurance Company	100.00000
American Zurich Insurance Company	36-3141762	40142	IL	Steadfast Insurance Company	100.00000
Applyhere Pty Ltd		N/A	AUS	Davidson Trahaire Holding Pty Ltd	100.00000
Ashdale Land and Property Company Limited		N/A	GBR	Zurich Insurance plc	100.00000
Asistbras S/A Assistência ao Viajante		N/A	BRA	Travel Ace Internacional de Servicios S.A.	65.00000
Assistance Online (China) Co Ltd		N/A	CHN	Assistancee Online Pte. Ltd	100.00000
Assistancee Online HK Ltd		N/A	HKG	Assistancee Online HK Ltd	0.00000
Assistancee Online HK Ltd		N/A	HKG	Assistancee Online Pte. Ltd	100.00000
Assistancee Online Pte. Ltd		N/A	SGP	Customer Care Assistance Pty Ltd	100.00000
ASTIS Holdings Limited		N/A	AUS	Cover-More Finance Pty Limited	100.00000
Aust Office 1, LLC	36-4851720	N/A	DE	Zurich American Insurance Company	100.00000
autoSense AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	33.33000
Ballykilliane Holdings Limited		N/A	IRL	Zurich Insurance plc	100.00000
Bansabadell Pensiones, E.G.F.P., S.A.		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Sociad	50.00000
Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros		N/A	ESP	Zurich Versicherungs-Gesellschaft AG	50.00000
Bansabadell Servicios Auxiliares De Seguros, S.L.		N/A	ESP	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	100.00000
Bansabadell Vida S.A. de Seguros y Reaseguros		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Sociad	50.00000
Benefit Finance Partners, L.L.C.		N/A	DE	Zurich Benefit Finance LLC	50.00000
BFP Securities LLC	13-4097988	N/A	DE	Benefit Finance Partners, L.L.C.	100.00000
Bloomington Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Bloomington Office MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Bloomington Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
Bloomington Office MGP, LLC		N/A	DE	Bloomington Office MGP Manager, Inc	99.00000
Blue Insurance Australia Pty Ltd		N/A	AUS	Blue Insurance Limited	100.00000
Blue Insurance Limited		N/A	IRL	Cover-More Australia Pty Ltd	97.61000
Blue Marble Capital L.P.		N/A	BMU	Blue Marble Micro Limited	100.00000
Blue Marble Micro Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	100.00000
Blue Marble Microinsurance, Inc.		N/A	DE	Blue Marble Micro Limited	100.00000
Bonus Pensionskassen Aktiengesellschaft		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	87.50000
BONUS Vorsorgekasse AG		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	50.00000
BOS Apt 1, LLC	47-2289489	N/A	DE	Zurich American Insurance Company	100.00000
BOS Apt 2, LLC	47-2445859	N/A	DE	Zurich American Insurance Company	100.00000
BOS Office 3, LLC	47-2483669	N/A	DE	Farmers New World Life Insurance Company	100.00000
BOS Office 4, LLC	37-1849541	N/A	DE	Zurich American Insurance Company	100.00000
BOS Retail 1, LLC	47-4684158	N/A	DE	Zurich American Insurance Company	100.00000
Boxx Insurance Inc.		N/A	CAN	Zürich Versicherungs-Gesellschaft AG	33.33333
Boxx Insurance LLC	87-3332812	N/A	FL	Boxx Insurance Inc.	100.00000
Boxx Services PTE Limited		N/A	SGP	Boxx Insurance Inc.	100.00000
Boxx Cyber Services Middle East Ltd		N/A	ARE	Boxx Insurance Inc.	100.00000
Bright Box Europe S.A.		N/A	CHE	Bright Box HK Limited	100.00000
Bright Box HK Limited		N/A	CHN	Zürich Versicherungs-Gesellschaft AG	100.00000
Bright Box Hungary KFT		N/A	HUN	Bright Box HK Limited	100.00000
Bristlecourt Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
brokerbusiness.ch AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	25.00000
Cayley Aviation Ltd.		N/A	BMU	Zurich Insurance Company Ltd, Bermuda Branch	100.00000
Celta Assistance SL		N/A	ESP	Universal Assistance S.A.	100.00000
Centre Group Holdings (U.S.) Limited	13-4038482	N/A	DE	Zurich Finance Company Ltd	100.00000
Centre Insurance Company	13-2653231	34649	DE	Centre Solutions (U.S.) Limited	100.00000
Centre Life Insurance Company	04-1589940	80896	MA	Centre Solutions (U.S.) Limited	100.00000
Centre Reinsurance (U.S.) Limited	AA-3190673	N/A	BMU	Centre Group Holdings (U.S.) Limited	100.00000
Centre Solutions (Bermuda) Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
Centre Solutions (U.S.) Limited	AA-3190822	N/A	BMU	Centre Group Holdings (U.S.) Limited	100.00000
Charlotte Apt. 1, LLC		N/A	DE	American Zurich Insurance Company	100.00000
Charlotte Industrial 2, LLC	32-0616217	N/A	DE	Farmers New World Life Insurance Company	100.00000
Charlotte Industrial 3, LLC	88-0601732	N/A	DE	Farmers New World Life Insurance Company	100.00000
Charlotte Office 1, LLC	30-1113235	N/A	DE	Zurich American Insurance Company	100.00000
CHI APT 1, LLC	38-3988749	N/A	DE	Zurich American Insurance Company	100.00000
CHI IND 1, LLC	47-4429730	N/A	DE	Farmers New World Life Insurance Company	100.00000
CHI IND 6, LLC	87-2430690	N/A	DE	Farmers New World Life Insurance Company	100.00000
Chilena Consolidada Seguros de Vida S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	98.97703
Chilena Consolidada Seguros Generales S.A.	AA-2280100	N/A	CHL	Chilena Consolidada Seguros de Vida S.A.	7.40525
Chilena Consolidada Seguros Generales S.A.	AA-2280100	N/A	CHL	Inversiones Suizo Chilena S.A.	82.73165
COFITEM-COFIMUR		N/A	FRA	Zurich Versicherungs-Gesellschaft AG	12.40521
Colonial American Casualty and Surety Company	52-1096670	34347	IL	Fidelity and Deposit Company of Maryland	100.00000
Concisa Vorsorgeberatung und Management AG		N/A	AUT	Bonus Pensionskassen Aktiengesellschaft	100.00000
Concourse Skelmersdale Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Cover-More (NZ) Limited		N/A	NZL	Cover-More Australia Pty Ltd	100.00000
Cover-More Asia Pte. Ltd		N/A	SGP	Travel Assist Pty Limited	100.00000
Cover-More Australia Pty Ltd		N/A	AUS	Cover-More Holdings Pty Ltd	100.00000
Cover-More Finance Pty Limited		N/A	AUS	Cover-More Group Limited	100.00000
Cover-More Group Limited		N/A	AUS	Zurich Travel Solutions Pty Limited	100.00000
Cover-More Holdings Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Cover-More Holdings USA Inc.		N/A	DE	Travel Assist Pty Limited	100.00000
Cover-More Inc.		N/A	DE	Cover-More Holdings USA Inc.	100.00000
Cover-More Insurance Services Limited		N/A	GBR	Cover-More Australia Pty Ltd	100.00000
Cover-More Insurance Services Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
CREC (Bloomington) Lender, LLC		N/A	DE	Zurich American Insurance Company	0.00000
CREC (Dallas) Lender, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Durham), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Hagerstown) Lender, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Hagerstown) Owner, LLC		N/A	MD	Zurich Structured Finance, Inc.	0.00000
CREC (Las Vegas), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sioux Falls) Lender, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sioux Falls) Owner, LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
CREC (Sioux Falls), LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Cursud N.V.		N/A	ANT	Zurich Versicherungs-Gesellschaft AG	100.00000
Customer Care Assistance Pty Ltd		N/A	AUS	Customer Care Holdings Pty Ltd	100.00000
Customer Care Holdings Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Customer Care Pty Ltd		N/A	AUS	Customer Care Holdings Pty Ltd	100.00000
DA Deutsche Allgemeine Versicherung Aktiengesellschaft		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Dallas Office MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Dallas Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
Dallas Office MGP, LLC		N/A	DE	Dallas Office MGP Manager, Inc.	99.00000
Dallas Tower LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Davidson Trahaire Corpsych (Singapore) Pte. Limited		N/A	SGP	DTC Bidco Pty Ltd	100.00000
Davidson Trahaire Corpsych Pty Ltd		N/A	AUS	Davidson Trahaire Holding Pty Ltd	35.00000
Davidson Trahaire Corpsych Pty Ltd		N/A	AUS	Applyhere Pty Ltd	65.00000
Davidson Trahaire Holding Pty Ltd		N/A	AUS	DTC Australia Pty Ltd	100.00000
DB Vita S.A.		N/A	LUX	Deutscher Herold Aktiengesellschaft	25.00000
DC Retail 1, LLC	82-2833981	N/A	DE	Farmers New World Life Insurance Company	100.00000
DEN Industrial 1, LLC	84-3610066	N/A	DE	Farmers New World Life Insurance Company	100.00000
DEN Industrial 2, LLC		N/A	DE	Zurich American Insurance Company	100.00000
Dentolo Deutschland GmbH		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Derimed S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	100.00000
Deutsche Zurich Pensiones, Entidad Gestora de Fondos de Pens		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Sociod	50.00000
Deutscher Herold Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	79.82639
Deutscher Pensionsfonds Aktiengesellschaft		N/A	DEU	Deutscher Herold Aktiengesellschaft	74.90000
Deutsches Institut für Altersvorsorge GmbH		N/A	DEU	Deutscher Herold Aktiengesellschaft	22.00000
DIG GmbH		N/A	DEU	Digital Insurance Group B.V.	100.00000
Digital Insurance Group B.V.		N/A	NLD	Zürich Versicherungs-Gesellschaft AG	10.00000
DTC Australia Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
DTC Bidco Pty Ltd		N/A	AUS	DTC Holdco Pty Ltd	100.00000
DTC Holdco Pty Ltd		N/A	AUS	ASTIS Holdings Limited	100.00000
DTC NZ Bidco Limited		N/A	NZL	DTC Bidco Pty Ltd	100.00000
Dunbar Assets Ireland		N/A	IRL	Zurich Finance Company Ltd	0.00000
Dunbar Assets Ireland		N/A	IRL	ZCMC II Holdings Limited	0.03664
Dunbar Assets plc		N/A	GBR	Dunbar Assets Ireland	100.00000
Dusfal S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Eagle Star (Leasing) Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Eagle Star European Life Assurance Company Limited		N/A	IRL	Zurich Life Assurance plc	100.00000
Eagle Star Group Services Limited		N/A	GBR	Eagle Star Holdings Limited	100.00000
Eagle Star Holding Company of Ireland		N/A	IRL	Zurich Assurance Ltd	0.00100
Eagle Star Holding Company of Ireland		N/A	IRL	Zurich Assurance Ltd	99.99900
Eagle Star Holdings Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Eagle Star Securities Limited		N/A	GBR	Zurich Insurance plc	100.00000
Edilspettacolo SRL		N/A	ITA	Zurich Insurance Company Ltd - Rappresentanza Generale per I	35.71233
Empire Fire and Marine Insurance Company	47-6022701	21326	IL	Zurich American Insurance Company	100.00000
Empire Indemnity Insurance Company	73-6091717	21334	OK	Zurich American Insurance Company	100.00000
Employee Services Limited		N/A	GBR	Allied Dunbar Financial Services Limited	100.00000
Endsleigh Financial Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Endsleigh Pension Trustee Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Eritage S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
ES Plympton Nominee 1 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
ES Plympton Nominee 2 Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Euclid KY Annex, LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euclid Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euclid Warehouses LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Euroamérica Administradora General de Fondos S.A		N/A	CHL	Chilena Consolidada Seguros de Vida S.A.	100.00000
Extremus Versicherung-Aktiengesellschaft		N/A	DEU	Zurich Insurance plc Niederlassung für Deutschland	5.00000
Farmers Family Fund	45-3561769	N/A	CA	Farmers Group, Inc.	100.00000
Farmers Group, Inc.	95-0725935	N/A	NV	Zurich Versicherungs-Gesellschaft AG	12.10000
Farmers Group, Inc.	95-0725935	N/A	NV	Zurich Insurance Group Ltd.	87.90000
Farmers Life Insurance Company of New York	46-4261000	N/A	NY	Farmers New World Life Insurance Company	100.00000
Farmers New World Life Insurance Company	91-0335750	63177	WA	Farmers Group, Inc.	100.00000
Farmers Reinsurance Company	95-4650862	10873	CA	Farmers Group, Inc.	100.00000
Farmers Services Corporation		N/A	NV	Farmers Group, Inc.	100.00000
Farmers Underwriters Association		N/A	CA	Farmers Group, Inc.	100.00000
Fidelity and Deposit Company of Maryland	13-3046577	39306	IL	Zurich American Insurance Company	100.00000
FIG Holding Company		N/A	CA	Farmers Group, Inc.	100.00000
FIG Leasing Co., Inc.		N/A	CA	Farmers Group, Inc.	100.00000
Fire Underwriters Association	95-2670247	N/A	CA	Farmers Group, Inc.	100.00000
Fitsense Insurance Services Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Futuro de Bolivia S.A. Administradora de Fondos de Pensiones		N/A	BOL	Zurich Boliviana Seguros Personales S.A.	8.42193
Futuro de Bolivia S.A. Administradora de Fondos de Pensiones		N/A	BOL	Zurich South America Invest AB	71.57801
FX Insurance Agency Hawaii, LLC	83-1572480	N/A	HI	FIG Leasing Co., Inc.	100.00000
FX Insurance Agency, LLC	35-2281892	N/A	DE	FIG Leasing Co., Inc.	100.00000
General Surety & Guarantee Co Limited		N/A	GBR	Zurich Insurance Company (U.K.) Limited	100.00000
Groewood Property Holdings Limited		N/A	GBR	Eagle Star Holdings Limited	100.00000
H4B Humboldtthafen Einheitsgesellschaft GmbH&Co.KG		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	94.90000
Halo Holdco Limited		N/A	GBR	Cover-More Australia Pty Ltd	100.00000
Halo Holdco Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	0.00000
Halo Insurance Services Limited		N/A	GBR	Halo Holdco Limited	100.00000
Halo Insurance Services Pty Ltd		N/A	AUS	Halo Insurance Services Limited	100.00000
Hawkcentral Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Healthinsite Proprietary Limited		N/A	ZAF	Zürich Versicherungs-Gesellschaft AG	100.00000
Healthlogix Pty Ltd		N/A	AUS	Insite Holdings Pty Ltd	100.00000
Healthlogix Technologia Eireli		N/A	BRA	Healthlogix Pty Ltd	100.00000
Herengracht Investments B.V		N/A	DEU	RE Curve Holding B.V.	100.00000
HOU IND 1, LLC	46-2975161	N/A	DE	Zurich American Insurance Company	100.00000
HOU IND 2, LLC	46-2984834	N/A	DE	Zurich American Insurance Company	100.00000
HOU IND 3, LLC		N/A	DE	Zurich American Insurance Company	100.00000
Independence Center Realty L.P.		N/A	DE	Philadelphia Investor, LLC	89.00000
INNATE, Inc.		N/A	DC	Cover-More Holdings USA Inc.	100.00000
Insite Holdings Pty Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
INTEGRA Versicherungsdienst GmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	100.00000
Intelligent Technologies OÜ		N/A	EST	Zürich Versicherungs-Gesellschaft AG	100.00000
International Travel Assistance S.A.		N/A	PAN	Zürich Versicherungs-Gesellschaft AG	55.00000
Inversiones Suizo Chilena S.A.		N/A	CHL	Inversiones Suizo-Argentina S.A.	0.00100
Inversiones Suizo Chilena S.A.		N/A	CHL	Zurich Versicherungs-Gesellschaft AG	99.99900
Inversiones Suizo-Argentina S.A.		N/A	ARG	Zurich Lebensversicherungs-Gesellschaft AG	5.00400

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Inversiones Suizo-Argentina S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	94.99600
Inversiones ZS America Dos Limitada		N/A	CHL	Inversiones ZS America SpA	100.00000
Inversiones ZS America SpA		N/A	CHL	Zurich Santander Insurance America, S.L.	100.00000
Inversiones ZS America Tres SpA		N/A	CHL	Zurich Santander Insurance America, S.L.	100.00000
Irish National Insurance Company p.l.c.		N/A	IRL	Zurich Insurance plc	99.99999
Isis S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	60.50140
Isis S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	39.49860
Kansas City Office LP		N/A	DE	Zurich Structured Finance, Inc.	99.00000
Kansas Office MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Kansas Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
Kansas Office MGP, LLC		N/A	DE	Kansas Office MGP Manager, Inc.	99.00000
Karvat Cover-More Assist. Pvt Ltd.		N/A	IND	Cover-More Asia Pte. Ltd	100.00000
Kennet Road 1 UK Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Kennet Road 2 UK Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Klare Corredora de Seguros S.A.		N/A	CHL	Zurich Insurance Mobile Solutions AG	49.90000
Knip (Deutschland) GmbH		N/A	DEU	Knip AG	100.00000
Knip AG		N/A	CHE	Digital Insurance Group B.V.	98.88000
Komparu B.V.		N/A	NLD	Digital Insurance Group B.V.	100.00000
Kono Insurance Limited		N/A	HKG	Zurich Versicherungs-Gesellschaft AG	100.00000
LA Apt. 1, LLC	88-1615240	N/A	DE	Zurich American Insurance Company	100.00000
LA Industrial 1, LLC	36-4877375	N/A	DE	Zurich American Insurance Company	100.00000
La Industrial 2, LLC	85-3842785	N/A	DE	Farmers New World Life Insurance Company	100.00000
LA Industrial 4, LLC	88-3063378	N/A	DE	Zurich American Insurance Company	100.00000
LA Retail 1 LLC	47-1325180	N/A	DE	Zurich American Insurance Company	100.00000
Manon Vision Co., Ltd.		N/A	THA	Centre Solutions (Bermuda) Limited	0.00057
Manon Vision Co., Ltd.		N/A	THA	Zurich Finance Company Ltd	0.00066
Manon Vision Co., Ltd.		N/A	THA	Zurich Versicherungs-Gesellschaft AG	99.99877
MEATPACKING B.V.		N/A	NLD	Rock Inne Vastgoed B.V.	100.00000
Medidata AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	8.85180
MI Administrators, LLC		N/A	DE	FIG Leasing Co., Inc.	100.00000
MIAMI INDUSTRIAL 1, LLC	30-0947450	N/A	DE	Zurich American Insurance Company	100.00000
Miami Industrial 2, LLC	81-3346909	N/A	DE	Farmers New World Life Insurance Company	100.00000
Miami Office 2, LLC	38-4002060	N/A	DE	Zurich American Insurance Company	100.00000
MIAMI OFFICE 3, LLC	35-2567170	N/A	DE	Zurich American Insurance Company	100.00000
Miami Retail 1, LLC	61-1852255	N/A	DE	Zurich American Insurance Company	100.00000
Minas Brasil Promotora de Servicos S/A		N/A	BRA	Zurich Minas Brasil Seguros S.A.	100.00000
Minerva Science Limited		N/A	GBR	Project Policy Bidco Limited	100.00000
MSP APT 1, LLC	30-1003542	N/A	DE	Zurich American Insurance Company	100.00000
My Policy Limited		N/A	GBR	Project Policy Bidco Limited	100.00000
Nashville Apt. 1, LLC		N/A	DE	American Zurich Insurance Company	100.00000
Nashville Office 1, LLC	30-1004249	N/A	DE	Zurich American Insurance Company	100.00000
Navigators and General Insurance Company Limited		N/A	GBR	Zurich Insurance plc	100.00000
Nearheath Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
NY Industrial 1, LLC	30-1071415	N/A	DE	Zurich American Insurance Company	100.00000
Oak Underwriting plc		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
OnePath General Insurance Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
OnePath Life Australia Holdings Pty Ltd		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
OnePath Life Limited		N/A	AUS	OnePath Life Australia Holdings Pty Ltd	100.00000
Orange Stone Company		N/A	IRL	Zurich Finance Company AG	100.00000
Orion Rechtsschutz-Versicherung AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	78.00000
Parcelgate Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Perils AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	11.11111
Perunsel S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	60.00000
PFS Pension Fund Services AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	18.43333
Philly Office 1, LLC	35-2553880	N/A	DE	Zurich American Insurance Company	100.00000
Philly Office Land, LLC		N/A	DE	American Zurich Insurance Company	100.00000
POR Apt 1, LLC	47-1392591	N/A	DE	Zurich American Insurance Company	100.00000
POR Apt 2, LLC	47-4067157	N/A	DE	Zurich American Insurance Company	100.00000
Prime Corporate Psychology Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
Project Policy Bidco Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	20.00000
Protektor Lebensversicherungs-AG		N/A	DEU	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	5.15838
PT Asuransi Adira Dinamika Tbk		N/A	IDN	Zürich Versicherungs-Gesellschaft AG	98.48794
PT Zurich Insurance Indonesia	AA-5360007	N/A	IDN	Zurich International (Bermuda) Ltd.	1.56878
PT Zurich Insurance Indonesia	AA-5360007	N/A	IDN	Zurich Versicherungs-Gesellschaft AG	97.09134
PT Zurich Topas Life		N/A	IDN	Zurich Versicherungs-Gesellschaft AG	80.00000
R3 FL Holdings, LLC		N/A	FL	Fidelity and Deposit Company of Maryland	100.00000
Raleigh Office 2, LLC	88-3031830	N/A	DE	Farmers New World Life Insurance Company	100.00000
Raleigh/Durham Offices, L.P.		N/A	DE	Zurich Structured Finance, Inc.	99.00000
RE Curve Holding B.V.		N/A	DEU	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
Real Garant Espana S.L.		N/A	ESP	Real Garant GmbH Garantiesysteme	100.00000
Real Garant GmbH Garantiesysteme		N/A	DEU	Real Garant Versicherung Aktiengesellschaft	100.00000
Real Garant Versicherung Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Research Triangle MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Research Triangle Office MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
Research Triangle Office MGP, LLC		N/A	DE	Research Triangle MGP Manager, Inc.	99.00000
REX Baume S.C.I		N/A	FRA	REX Holding France	100.00000
REX Holding France		N/A	FRA	REX OPPCI Fonds	100.00000
REX Holding S.a.r.l.		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	100.00000
REX Mauchamps		N/A	FRA	REX Holding France	100.00000
REX Vilette		N/A	FRA	REX Holding France	0.00000
REX-Aurea-ZDHL S.C.S.		N/A	LUX	REX-ZDHL GP S.à r.l.	100.00000
REX-De Baak B.V.		N/A	NLD	REX Holding S.à r.l.	100.00000
REX-Germany-ZDHL S.C.S		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	95.24000
REX-Humboldthafen Verwaltungs GmbH		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	100.00000
Rex-Spain-ZDHL S.L.		N/A	ESP	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
REX-The East S.à.r.l.		N/A	LUX	REX-ZDHL S.C.S. SICAV-SIF	94.80000
REX-ZDHL GP S.a.r.l.		N/A	LUX	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
REX-ZDHL S.C.S. SICAV-SIF		N/A	LUX	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
Rock Inne Vastgoed B.V.		N/A	NLD	REX Holding S.à.r.l.	100.00000
Rokin 21 B.V.		N/A	NLD	Roxana Vastgoed B.V.	100.00000
Rokin 49 B.V.		N/A	NLD	Rock Inne Vastgoed B.V.	100.00000
Roxana Vastgoed B.V.		N/A	NLD	REX Holding S.à.r.l.	100.00000
Rural Community Insurance Company	41-1375004	39039	MN	Zurich American Insurance Company	100.00000
San Diego Retail 1, LLC	61-1791237	N/A	DE	Zurich American Insurance Company	100.00000
Santander Rio Seguros S.A.		N/A	ARG	Inversiones ZS America SpA	4.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Santander Rio Seguros S.A.		N/A	ARG	Zurich Santander Insurance America, S.L.	96.00000
Santander Seguros Sociedad Anónima		N/A	URY	Zurich Santander Insurance America, S.L.	100.00000
Saudi National Insurance Company		N/A	BHR	Zurich Insurance Company Ltd (Bahrain Branch)	5.00000
SEA APARTMENT 2, LLC	46-3060914	N/A	DE	Zurich American Insurance Company	100.00000
Serviaide, S.A. - Sociedad Unipersonal		N/A	ESP	AIDE Asistencia Seguros y Reaseguros, S.A. - Sociedad Uniper	100.00000
Servizurich S.A. - Sociedad Unipersonal		N/A	ESP	Zurich Insurance plc, Sucursal en Espana	100.00000
SF Apt 1, LLC	47-1153493	N/A	DE	Zurich American Insurance Company	100.00000
Shire Park Limited		N/A	GBR	Zurich Assurance Ltd	12.41935
Special Insurance Services, Inc.		N/A	IL	Zurich American Insurance Company	100.00000
Speigelhof Vastgoed B.V.		N/A	DEU	RE Curve Holding B.V.	100.00000
Springboard Health and Performance Pty Ltd		N/A	AUS	DTC Bidco Pty Ltd	100.00000
Springworks International AB		N/A	SWE	autoSense AG	50.00000
Steadfast Insurance Company	52-0981481	26387	IL	Zurich American Insurance Company	100.00000
Steadfast Santa Clarita Holdings LLC		N/A	DE	Steadfast Insurance Company	100.00000
Stratos Limited		N/A	NZL	DTC NZ Bidco Limited	100.00000
Swiss Insurance Management (Hong Kong) Limited		N/A	HKG	Zurich Services (Hong Kong) Limited	0.49505
Swiss Insurance Management (Hong Kong) Limited		N/A	HKG	Zurich Insurance Holdings (Hong Kong) Limited	99.50495
TDG Tele Dienste GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Tennyson Insurance Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
The Liverpool Reversionary Company Limited		N/A	GBR	Zurich Legacy Solutions Services (UK) Limited	100.00000
The Zurich Services Corporation	36-3839542	N/A	IL	Zurich Holding Company of America, Inc.	100.00000
TopReport Schadenbesichtigungs GmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	14.28571
Travel Ace Chile S.A.		N/A	CHL	Travel Ace Internacional de Servicios S.A.	1.00000
Travel Ace Chile S.A.		N/A	CHL	Zürich Versicherungs-Gesellschaft AG	99.00000
Travel Ace Internacional de Servicios S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Travel Assist Pty Limited		N/A	AUS	ASTIS Holdings Limited	100.00000
Travel Insurance Partners Pty Ltd		N/A	AUS	Travel Assist Pty Limited	100.00000
Travel Insurance Services Canada Inc.		N/A	CAN	World Travel Protection Canada Inc.	100.00000
Travelex Insurance Services Limited		N/A	DE	Cover-More Holdings USA Inc.	100.00000
Truck Underwriters Association	95-2670330	N/A	CA	Farmers Group, Inc.	100.00000
Turegum Immobilien AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
UA Assistance S.A. de C.V.		N/A	MEX	Travel Ace Internacional de Servicios S.A.	0.00000
UA Assistance S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Assistance Asistencia Ao Viajante Ltda		N/A	BRA	Perunsel S.A.	0.00000
Universal Assistance S.A.		N/A	ARG	World Wide Assistance S.A.	92.71000
Universal Assistance S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	7.29000
Universal Assistance S.A.		N/A	URY	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Travel Assistance S.A.S.		N/A	COL	Zürich Versicherungs-Gesellschaft AG	100.00000
Universal Underwriters Insurance Company	43-1249228	41181	IL	Zurich American Insurance Company	100.00000
Universal Underwriters of Texas Insurance Company	36-3139101	40843	IL	Universal Underwriters Insurance Company	100.00000
Universal Underwriters Service Corporation	43-1269296	N/A	MO	Zurich Holding Company of America, Inc.	100.00000
Universal Assistance Inc.		N/A	FL	Universal Assistance S.A.	0.00000
Vehicle Dealer Solutions, Inc.	26-1282208	N/A	FL	Zurich Holding Company of America, Inc.	100.00000
Winchester Land, LLC		N/A	FL	R3 FL Holdings, LLC	100.00000
Winn-Dixie MGP Manager, Inc.		N/A	DE	Zurich Structured Finance, Inc.	100.00000
Wohnen H3B Humboldthafen GmbH&Co.KG		N/A	DEU	REX-ZDHL S.C.S. SICAV-SIF	94.90000
World Travel Protection Canada Inc.		N/A	CAN	Zurich Canadian Holdings Limited	100.00000
World Wide Assistance S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	100.00000
Wrightway Underwriting Limited		N/A	IRL	Ballykilliane Holdings Limited	100.00000
Z flex Gesellschaft fur Personaldienstleistungen mbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
ZCM (U.S.) Limited		N/A	DE	Zurich Finance Company Ltd	100.00000
ZCM Asset Holding Company (Bermuda) Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
ZCM Matched Funding Corp.		N/A	CYM	Zurich Capital Markets Inc.	100.00000
ZFUS Services, LLC	20-5900744	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
ZGEE14 Limited		N/A	GBR	Zurich Legacy Solutions Services (UK) Limited	100.00000
ZLS Aseguradora de Colombia S.A		N/A	COL	Zürich Versicherungs-Gesellschaft AG	4.43000
ZLS Aseguradora de Colombia S.A		N/A	COL	Zürich Lebensversicherungs-Gesellschaft AG	95.00000
ZNA Services, LLC	02-0802795	N/A	DE	ZFUS Services, LLC	100.00000
ZPC Capital Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
ZSF / Office KY, LLC		N/A	DE	Euclid Office LP	100.00000
ZSF / Office NV, LLC		N/A	DE	Euclid Office LP	100.00000
ZSF / Office NY, LLC		N/A	DE	Euclid Office LP	100.00000
ZSF KY Annex, LLC		N/A	DE	Euclid KY Annex, LP	100.00000
ZSF/Bloomington, LLC		N/A	DE	Bloomington Office LP	100.00000
ZSF/C1 MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/C1 MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
ZSF/C1 MGP, LLC		N/A	DE	ZSF/C1 MGP Manager, Inc	99.00000
ZSF/C2 MGP Manager, Inc		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/C2 MGP, LLC		N/A	DE	Zurich Structured Finance, Inc.	1.00000
ZSF/C2 MGP, LLC		N/A	DE	ZSF/CF2 MGP Manager, Inc.	99.00000
ZSF/Dallas Tower, LLC		N/A	DE	Dallas Tower LP	100.00000
ZSF/Kansas, LLC		N/A	DE	Kansas City Office LP	100.00000
ZSF/Land Parcels LLC		N/A	DE	Zurich Structured Finance, Inc.	100.00000
ZSF/Research Gateway, LLC		N/A	DE	Raleigh/Durham Offices, L.P.	100.00000
ZSF/WD Fitzgerald, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Hammond, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Jacksonville, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSF/WD Opa Locka, LLC		N/A	DE	Euclid Warehouses LP	100.00000
ZSFH LLC	36-3096373	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
ZSG Kfz-ZulassungsservicegesmbH		N/A	AUT	Zurich Versicherungs-Aktiengesellschaft	33.33333
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Finanz-Gesellschaft AG	0.00100
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Investments Life S.p.A.	0.00100
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Lebensversicherungs-Gesellschaft AG	99.99600
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Versicherungs-Gesellschaft AG	0.00100
Zurich - Companhia de Seguros Vida S.A.		N/A	PRT	Zurich Vida, Compania de Seguros y Reaseguros, S.A. - Sociad	0.00100
Zurich (Scotland) Limited Partnership		N/A	GBR	Zurich General Partner (Scotland) Ltd	100.00000
Zurich Advice Network Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich AFIN Mexico, S.A. DE C.V.		N/A	MEX	Zurich Compania de Sefuros, S.A.	0.00200
Zurich AFIN Mexico, S.A. DE C.V.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	99.99800
Zurich Agency Services Inc.	04-3126497	N/A	MA	Zurich Holding Company of America, Inc.	100.00000
Zurich Alternative Asset Management, LLC	86-1164252	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich America Latina Serviços Brasil Ltda.		N/A	BRA	Zurich Lebensversicherungs-Gesellschaft AG	0.01000
Zurich America Latina Serviços Brasil Ltda.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	99.99000
Zurich American Insurance Company	36-4233459	16535	NY	Zurich Holding Company of America, Inc.	100.00000
Zurich American Insurance Company of Illinois	36-2781080	27855	IL	American Zurich Insurance Company	100.00000
Zurich American Life Insurance Company	36-3050975	90557	IL	Zurich Holding Company of America, Inc.	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich American Life Insurance Company of New York	27-4746162	14178	NY	Zurich American Life Insurance Company.	100.00000
Zurich Argentina Cia. de Seguros S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	55.46140
Zurich Argentina Cia. de Seguros S.A.	AA-2130022	N/A	ARG	Zurich Versicherungs-Gesellschaft AG	44.53611
Zurich Argentina Compañía de Seguros de Retiro S.A.	AA-2130022	N/A	ARG	Zurich Argentina Cia. de Seguros S.A.	46.64193
Zurich Argentina Compañía de Seguros de Retiro S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	53.35807
Zurich Aseguradora Argentina S.A.		N/A	ARG	Zürich Versicherungs-Gesellschaft AG	99.90000
Zurich Aseguradora Mexicana, S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	0.00000
Zurich Aseguradora Mexicana, S.A. de C.V.		N/A	MEX	Zürich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Asset Management Gerente de Fondos Comunes de Inversi		N/A	ARG	Inversiones Suizo-Argentina S.A.	89.99990
Zurich Asset Management Gerente de Fondos Comunes de Inversi		N/A	ARG	Isis S.A.	10.00010
Zurich Assurance Ltd		N/A	GBR	Eagle Star Holdings Limited	100.00000
Zurich Assure Australia Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Australia Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Australian Insurance Limited	AA-1930995	N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Australian Insurance Properties Pty Limited		N/A	AUS	Zurich Australia Limited	40.00000
Zurich Australian Insurance Properties Pty Limited		N/A	AUS	Zurich Australian Insurance Limited	60.00000
Zurich Australian Property Holdings Pty Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Bank International Limited		N/A	GBR	Dunbar Assets Ireland	100.00000
Zurich Benefit Finance LLC	13-4186554	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich Beteiligungs-Aktiengesellschaft (Deutschland)		N/A	DEU	Zurich IT Service AG Niederlassung für Deutschland	82.61672
Zurich Beteiligungs-Aktiengesellschaft (Deutschland)		N/A	DEU	Zurich Leben Service AG Niederlassung für Deutschland	17.38328
Zurich Brasil Capitalizacao S.A		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Brasil Companhia de Seguros		N/A	BRA	Zurich Minas Brasil Seguros S.A.	100.00000
Zurich Building Control Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Canadian Holdings Limited		N/A	CAN	Zurich Insurance Company Ltd, Canadian Branch	68.81942
Zurich Canadian Holdings Limited		N/A	CAN	Zurich Versicherungs-Gesellschaft AG	31.18058
Zurich Capital Markets Inc.		N/A	DE	ZCM (U.S.) Limited	100.00000
Zurich Capital Markets Securities Inc.		N/A	DE	Zurich Capital Markets Inc.	100.00000
Zurich Commercial Services (Europe) GmbH		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Community Trust (UK) Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	50.00000
Zurich Community Trust (UK) Limited		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	50.00000
Zurich Compañía de Reaseguros Argentina S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	95.00000
Zurich Compañía de Reaseguros Argentina S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	5.00000
Zurich Compañía de Seguros, S.A.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	99.88280
Zurich Corredora de Bolsa S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	99.00030
Zurich Corredora de Bolsa S.A.		N/A	CHL	Zurich Investments Chile S.A.	0.99970
Zurich Customer Active Management, d.o.o.		N/A	SVN	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich CZI Management Holding Ltd.	36-4412924	N/A	DE	Zurich Global Investment Management Inc.	100.00000
Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft		N/A	DEU	Deutscher Herold Aktiengesellschaft	67.54030
Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	32.45970
Zurich E&S Insurance Brokerage, Inc.	95-4773780	N/A	CA	Zurich American Insurance Company	100.00000
Zurich Employment Services Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Zurich Engineering Inspection Services Ireland Limited		N/A	IRL	Zurich Insurance plc	100.00000
Zurich Eurolife S.A.		N/A	LUX	Zurich Lebensversicherungs-Gesellschaft AG	90.00000
Zurich Eurolife S.A.		N/A	LUX	Zurich Versicherungs-Gesellschaft AG	10.00000
Zurich F&I Reinsurance T&C Limited	AA-0053640	N/A	TCA	Zurich Agency Services Inc.	99.99950
Zurich F&I Reinsurance T&C Limited	AA-0053640	N/A	TCA	Universal Underwriters Service Corporation	0.00050
Zurich Fianzas Mexico, S.A.DE C.V.		N/A	MEX	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Australia) Limited		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (Ireland) DAC		N/A	IRL	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Finance (UK) plc		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.99800
Zurich Finance (UK) plc		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	0.00200
Zurich Finance Company Ltd		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (Isle of Man) Group Services Limit		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (Isle of Man) Holdings Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (Isle of Man) Insurance Manager Lt		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services (UKISA) Limited		N/A	GBR	Allied Zurich Holdings Limited	90.31559
Zurich Financial Services (UKISA) Limited		N/A	GBR	Zurich Insurance plc	9.68441
Zurich Financial Services (UKISA) Nominees Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	100.00000
Zurich Financial Services Australia Limited	AA-1930995	N/A	AUS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Financial Services EUB Holdings Limited		N/A	IRL	Zurich Ins Group	0.08333
Zurich Financial Services EUB Holdings Limited		N/A	IRL	Zurich Insurance Group Ltd.	99.91667
Zurich Financial Services UK Pension Trustee Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.00000
Zurich Finanz-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich General Insurance Company (China) Limited		N/A	CHN	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich General Insurance (Hong Kong) Limited		N/A	HKG	Zurich Insurance Company Ltd, Hong Kong Branch	100.00000
Zurich General Insurance Malaysia Berhad		N/A	MYS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich General Partner (Scotland) Ltd		N/A	GBR	Allied Zurich Holdings Limited	100.00000
Zurich General Takaful Malaysia Berhad		N/A	MYS	Zurich Holdings Malaysia Berhad	100.00000
Zurich GL Servicios Mexico, S.A. de C.V.		N/A	MEX	Zurich Vida, Compañía de Seguros, S.A.	5.00000
Zurich GL Servicios Mexico, S.A. de C.V.		N/A	MEX	Zurich Compañía de Seguros, S.A.	95.00000
Zurich Global Corporate UK Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Global Investment Management Inc.	04-3729755	N/A	DE	Zurich Holding Company of America, Inc.	100.00000
Zurich Global, Ltd.	AA-3190947	N/A	BMU	Zurich Holding Company of America, Inc.	100.00000
Zurich Group Pension Services (UK) Ltd		N/A	GBR	Zurich Assurance Ltd	100.00000
Zurich GSG Limited		N/A	GBR	Zurich GSH Limited	100.00000
Zurich GSH Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Holding Company of America, Inc.	36-3096373	N/A	DE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Holding Ireland Limited		N/A	IRL	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Holdings (UK) Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Immobilien (Deutschland) AG & Co. KG		N/A	DEU	Zurich Immobilienverhand (Deutschland) GmbH	0.00000
Zurich Immobilien Liegenschaftsverwaltungs-GesmbH		N/A	AUT	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Immobilienverhand (Deutschland) GmbH		N/A	DEU	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft	100.00000
Zurich Insurance Company (U.K.) Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Company Escritorio de Representacao no Bras		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Company Ltd., Representative Office Buenos Aires		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Group Ltd.		N/A	CHE	Board of Directors	
Zurich Insurance Holdings (Hong Kong) Limited		N/A	HKG	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance Malaysia Berhad		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	25.07428
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Holding Ireland Limited	70.40509
Zurich Insurance plc	AA-1780059	N/A	IRL	Zurich Insurance Company Ltd - Rappresentanza Generale per I	4.52063
Zurich Insurance plc, Representative Office Buenos Aires		N/A	ARG	Zurich Insurance plc	100.00000
Zurich Intermediary Group Limited		N/A	GBR	Zurich Financial Services (UKISA) Limited	99.99900
Zurich Intermediary Group Limited		N/A	GBR	Zurich Financial Services (UKISA) Nominees Limited	0.00100
Zurich International (UK) Limited	AA-1120018	N/A	GBR	Zurich Holdings (UK) Limited	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich International Life Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich International Pensions Administration Limited		N/A	IMN	Zurich International Life Limited	100.00000
Zurich Invest AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Invest ICAV		N/A	IRL	Zürich Versicherungs-Gesellschaft AG	50.00000
Zurich Invest ICAV		N/A	IRL	Zurich Invest AG	50.00000
Zurich Investment Management Limited		N/A	AUS	Zurich Australia Limited	100.00000
Zurich Investment Services Limited		N/A	BMU	Zurich Finance Company Ltd	100.00000
Zurich Investments Life S.p.A.		N/A	ITA	Zurich Insurance Company Ltd - Rappresentanza Generale per l	100.00000
Zurich Ireland Master Trustee Designated Activity Company		N/A	IRL	Zurich Life Assurance plc	100.00000
Zurich Italy S.p.A.		N/A	ITA	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich JVCompany Servicios Mexico, S.A. DE C.V.		N/A	MEX	Zurich Vida, Compania de Seguros, S.A.	99.99800
Zurich JVCompany Servicios Mexico, S.A. DE C.V.		N/A	MEX	Zurich Santander Seguros Mexico, S.A.	0.00200
Zurich Kunden Center GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Latin America Corporation	26-0530367	N/A	FL	Zurich Holding Company of America, Inc.	100.00000
Zurich Latin America Holding S.L. - Sociedad Unipersonal		N/A	ESP	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Latin American Services S.A.		N/A	ARG	Inversiones Suizo-Argentina S.A.	6.32000
Zurich Latin American Services S.A.		N/A	ARG	Zurich Versicherungs-Gesellschaft AG	93.68000
Zurich Lebensversicherungs-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Legacy Solutions Services (UK) Limited		N/A	GBR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Life Assurance plc		N/A	IRL	Zurich Holding Ireland Limited	100.00000
Zurich Life Insurance (Hong Kong) Limited		N/A	HKG	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Life Insurance Company Ltd., Representative office Buenos Aires		N/A	ARG	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Life Preparatory Japan Co. Ltd.		N/A	JPN	Zürich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich LiveWell Services and Solutions AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Management (Bermuda) Ltd		N/A	BMU	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Management Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Minas Brasil Seguros S.A.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Pension Trustees Ireland Limited		N/A	IRL	Zurich Insurance plc	50.00000
Zurich Pension Trustees Ireland Limited		N/A	IRL	Zurich Trustee Services Limited	50.00000
Zurich Pension Trustees Limited		N/A	GBR	Zurich Assurance Ltd	100.00000
Zurich Pensions Management Limited		N/A	GBR	Allied Dunbar Assurance plc	100.00000
Zurich Pensionskassen-Beratung AG		N/A	CHE	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Professional Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Project Finance (UK) Limited		N/A	GBR	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Properties Pty Limited		N/A	AUS	Zurich Australia Limited	40.00056
Zurich Properties Pty Limited		N/A	AUS	Zurich Australian Insurance Limited	59.99944
Zurich Property Services Malaysia Sdn Bhd		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Realty, Inc.	30-0165071	N/A	MD	Zurich Holding Company of America, Inc.	100.00000
Zurich Rechtsschutz-Schadensservice GmbH		N/A	DEU	Zurich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Resseguradora Brasil S.A.		N/A	BRA	Zurich Versicherungs-Gesellschaft AG	0.00100
Zurich Resseguradora Brasil S.A.		N/A	BRA	Zurich Lebensversicherungs-Gesellschaft AG	99.99900
Zurich Risk Management Services (India) Private Limited		N/A	IND	Zurich International (Bermuda) Ltd.	1.00000
Zurich Risk Management Services (India) Private Limited		N/A	IND	Zurich Versicherungs-Gesellschaft AG	99.00000
Zurich Ruckversicherungs-Gesellschaft AG		N/A	CHE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Sander Vermögensverwaltungs AG (Deutschland)		N/A	DEU	Deutscher Herold Aktiengesellschaft	32.46000
Zurich Sander Vermögensverwaltungs AG (Deutschland)		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	67.54000
Zurich Santander Brasil Odonto LTDA.		N/A	BRA	Zurich Santander Brasil Seguros e Previdência S.A.	99.00000
Zurich Santander Brasil Odonto LTDA.		N/A	BRA	Zurich Santander Brasil Seguros S.A.	1.00000
Zurich Santander Brasil Seguros e Previdência S.A.		N/A	BRA	Zurich Latin America Holding S.L. - Sociedad Unipersonal	0.22007
Zurich Santander Brasil Seguros e Previdência S.A.		N/A	BRA	Zurich Santander Holding (Spain), S.L.	99.56848
Zurich Santander Brasil Seguros S.A.		N/A	BRA	Zurich Santander Brasil Seguros e Previdência S.A.	100.00000
Zurich Santander Holding (Spain), S.L.		N/A	ESP	Zurich Santander Insurance America, S.L.	100.00000
Zurich Santander Holding Dos (Spain), S.L.		N/A	ESP	Zurich Santander Insurance America, S.L.	100.00000
Zurich Santander Insurance America, S.L.		N/A	ESP	Zurich Latin America Holding S.L. - Sociedad Unipersonal	51.00000
Zurich Santander Seguros Argentina S.A.		N/A	ARG	Zurich Santander Insurance America, S.L.	4.00000
Zurich Santander Seguros Argentina S.A.		N/A	ARG	Inversiones ZS America SpA	96.00000
Zurich Santander Seguros de Vida Chile S.A.		N/A	CHL	Inversiones ZS America Dos Limitada	99.78173
Zurich Santander Seguros de Vida Chile S.A.		N/A	CHL	Inversiones ZS America SpA	0.21827
Zurich Santander Seguros Generales Chile S.A.		N/A	CHL	Inversiones ZS America Dos Limitada	99.50540
Zurich Santander Seguros Generales Chile S.A.		N/A	CHL	Inversiones ZS America SpA	0.49460
Zurich Santander Seguros Mexico, S.A.		N/A	MEX	Inversiones ZS America SpA	0.00053
Zurich Santander Seguros Mexico, S.A.		N/A	MEX	Zurich Santander Insurance America, S.L.	99.99947
Zurich Schweiz Services AG		N/A	CHE	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Seguros Ecuador, S.A.		N/A	ECU	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Service GmbH		N/A	DEU	Zurich Versicherungs-Aktiengesellschaft	100.00000
Zurich Services (Australia) Pty Limited		N/A	AUS	Zurich Financial Services Australia Limited	100.00000
Zurich Services (Hong Kong) Limited		N/A	HKG	Zürich Versicherungs-Gesellschaft AG	99.99714
Zurich Services (Hong Kong) Limited		N/A	HKG	Zurich Insurance Holdings (Hong Kong) Limited	0.00286
Zurich Services A.I.E.		N/A	ESP	AIDE Asistencia Seguros y Reaseguros, S.A. - Sociedad Uniper	0.00100
Zurich Services A.I.E.		N/A	ESP	Bansabadell Pensiones, E.G.F.P., S.A.	0.00100
Zurich Services A.I.E.		N/A	ESP	Bansabadell Seguros Generales, S.A. de Seguros y Reaseguros	0.00100
Zurich Services A.I.E.		N/A	ESP	Bansabadell Vida S.A. de Seguros y Reaseguros	0.00100
Zurich Services A.I.E.		N/A	ESP	Zurich Insurance plc, Sucursal en Espana	97.18000
Zurich Services A.I.E.		N/A	ESP	Zurich Vida, Compañía de Seguros y Reaseguros, S.A. - Sociad	2.81600
Zurich Services Company (Pty) Ltd		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich Services US. LLC	35-2546417	N/A	DE	Farmers Group, Inc.	50.00000
Zurich Services US. LLC	35-2546417	N/A	DE	Zurich Holding Company of America, Inc.	50.00000
Zurich Servicios de Mexico, S.A. de C.V.		N/A	MEX	Zurich Vida, Compania de Seguros, S.A.	90.00000
Zurich Servicios de Mexico, S.A. de C.V.		N/A	MEX	Zurich, Compania de Seguros, S.A.	10.00000
ZURICH SERVICIOS DIRECTO ESPAÑA, S.L.		N/A	ESP	Zurich Insurance Mobile Solutions AG	100.00000
Zurich Servicios y Soporte México, S.A. de C.V.		N/A	MEX	Zürich Versicherungs-Gesellschaft AG	0.02000
Zurich Servicios y Soporte México, S.A. de C.V.		N/A	MEX	Zürich Lebensversicherungs-Gesellschaft AG	99.98000
Zurich Shared Services S.A.		N/A	CHL	Inversiones Suizo Chilena S.A.	99.98667
Zurich Shared Services S.A.		N/A	CHL	Zurich Investments Chile S.A.	0.01333
Zurich Sigorta A.S.		N/A	TUR	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Small Amount and Short Term Insurance Ltd		N/A	JPN	Zürich Versicherungs-Gesellschaft AG	100.00000
Zurich South America Invest AB		N/A	SWE	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Specialties London Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Structured Finance, Inc.		N/A	DE	Zurich Finance Company Ltd	100.00000
Zurich Takaful Malaysia Berhad (ZTMB)		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Technical and Consulting Services (Beijing) Co. Ltd.		N/A	CHN	Zurich Insurance Holdings (Hong Kong) Limited	100.00000
Zurich Technical Development (China) Limited		N/A	CHN	Zurich Insurance Holdings (Hong Kong) Limited	100.00000
Zurich Technology Malaysia Sdn Bhd		N/A	MYS	Zurich Technology Services Malaysia Sdn Bhd	100.00000
Zurich Technology Services Malaysia Sdn Bhd		N/A	MYS	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Transitional Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Travel Solutions Pty Limited		N/A	AUS	Zürich Versicherungs-Gesellschaft AG	100.00000

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF ZURICH INSURANCE GROUP
PART 1 - ORGANIZATIONAL CHART**

Company	FEIN	NAIC	Domiciled	Ownership	%
Zurich Treasury Services Limited		N/A	IRL	Zurich Financial Services EUB Holdings Limited	100.00000
Zurich Trustee Services Limited		N/A	IRL	Zurich Life Assurance plc	100.00000
Zurich UK General Employee Services Limited		N/A	GBR	Zurich UK General Services Limited	100.00000
Zurich UK General Services Limited		N/A	GBR	Zurich Holdings (UK) Limited	100.00000
Zurich Versicherungs-Aktiengesellschaft	AA-1220080	N/A	AUT	Zurich Versicherungs-Gesellschaft AG	99.98125
Zurich Versicherungs-Gesellschaft AG	AA-1460190	N/A	CHE	Zurich Insurance Group Ltd.	100.00000
Zurich Vida e Previdencia S.A.		N/A	BRA	Zurich Minas Brasil Seguros S.A.	100.00000
Zurich Vida, Compania de Seguros y Reaseguros, S.A. - Sociad	AA-1840022	N/A	ESP	Zurich Lebensversicherungs-Gesellschaft AG	100.00000
Zurich Vida, Compania de Seguros, S.A.	AA-2734111	N/A	MEX	Zurich Versicherungs-Gesellschaft AG	100.00000
Zurich Vorsorge-Beratungs und Vertriebs GmbH (Deutschland)		N/A	DEU	Zürich Beteiligungs-Aktiengesellschaft (Deutschland)	100.00000
Zurich Whiteley Investment Trust Limited		N/A	GBR	Zurich Insurance plc	100.00000
Zurich Whiteley Trust Limited		N/A	GBR	Zurich Whiteley Investment Trust Limited	100.00000
Zurich Workplace Solutions (Middle East) Limited		N/A	UAE	Zurich International Life Limited	100.00000

Note 1: Farmers Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Farmers Group, Inc., dba Farmers Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 2: Farmers Texas County Mutual Insurance Company, formed and organized pursuant to Chapter 912 of the Texas Insurance Code, is managed by Farmers Group, Inc., dba Farmers Underwriters Association

Note 3: Fire Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Fire Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 4: Foremost County Mutual Insurance Company is a Texas County mutual insurance company managed by Foremost Insurance Company Grand Rapids, Michigan

Note 5: Foremost Lloyds of Texas is a Texas company managed by Foremost Insurance Company Grand Rapids, Michigan.

Note 6: Truck Insurance Exchange, formed and organized pursuant to California Insurance Code Section 1280, et seq., is owned by its policyholders. Its attorney-in-fact, Truck Underwriters Association, which is a subsidiary of Zurich Insurance Group Ltd. (See also Schedule Y, Part 1A)

Note 7: Zurich Insurance Plc operates branches in the following countries: Italy (AA-1364106), Portugal (AA-1820001), Spain (AA-1840150), and United Kingdom (AA-1780059).

Note 8: Zurich Versicherungs-Aktiengesellschaft operates a branch in Germany (AA-1340017)

Note 9: Zurich Versicherungs-Gesellschaft AG also known as Zurich Insurance Company, Ltd operates branches in the following countries: Bermuda (AA-3190825), Canada (AA-1560999), Hong Kong (AA-5324112), Ireland (AA-1780042), Japan (AA-1584115), and Singapore (AA-5760036). It also operates a management entity Alpina International (AA-1460010) in Switzerland.

Note 10: Farmers Lloyds Insurance Company of Texas is a Texas company managed by Farmers Lloyds, Inc.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE FARMERS INSURANCE EXCHANGE
OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
2504. Equities and deposits in pools and associations	982,815		982,815	943,588
2505. MCCA: Refund to policyholders receivable from MCCA				26,265,200
2597. Summary of remaining write-ins for Line 25 from overflow page	982,815		982,815	27,208,788

Additional Write-ins for Liabilities Line 25

	1 Current Year	2 Prior Year
2504. Agent/DM bonus liability	46,503,382	40,569,228
2505. Deferred agent/DM compensation liability	34,862,681	41,741,173
2506. Deferred agent/DM bonus liability	26,850,881	32,603,683
2507. Miscellaneous	18,067,896	19,237,738
2508. Accrued liability on voluntary separation plan ("vsp") related expenses incurred in 2020 but fully paid for during 2021	3,155,255	7,158,128
2509. Pooled share of unauthorized reinsurance	289,028	215,158
2510. MCCA: Refund from MCCA due to policyholders		26,265,200
2597. Summary of remaining write-ins for Line 25 from overflow page	129,729,124	167,790,308

Additional Write-ins for Statement of Income Line 14

	1 Current Year	2 Prior Year
1404. Premiums for business-owned life insurance	(566,872)	(575,556)
1497. Summary of remaining write-ins for Line 14 from overflow page	(566,872)	(575,556)

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 24

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
2404. Miscellaneous investment expenses			2,451,176	2,451,176
2497. Summary of remaining write-ins for Line 24 from overflow page			2,451,176	2,451,176